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The Nation's Business

The Fight Against the C.I.O.

It Is Not a Fight Against Labor

It Is a Fight Against Crime and Violence

What Ottawa Fails to See

Industry as a True Democracy

The Real Issue In the C.I.O. Fight

NO STRUGGLE as bitter as Premier Hepburn's challenge to the lawlessness of the Committee for Industrial Organization ever continues for long without being enveloped in the obscurity that is engendered by public discussion of what are at best trifling side issues.

For that reason it would be well to set down again just what are the issues in the present fight; the issues that will be the important ones whenever and wherever in Canada the C.I.O.—under its present heads and under its present policies—makes an attack upon industrial production and labor peace.

* * *

OPPOSITION to the C.I.O. and to the organizers that the C.I.O. unions have sent into Canada does not represent opposition to the principle of unionization of labor or to the principle of collective bargaining. Canada's major labor unions have pursued these objectives unceasingly in the past without being regarded as public enemies.

The fundamental issues at stake are these:

Is the "organization of the unorganized" to be carried on in Canada by men who have a well-written record of lawbreaking and violence in the country from which they come?

Are industrial recovery and the re-employment of Canadians going to be destroyed through unnecessary strikes and labor disturbances, organized by an ambitious body that seeks to set up an industrial dictatorship in a few hurried months, a body that has not hesitated, across the border, to break the law, incite to violence, and shed blood in pursuit of its objectives?

Is the spread of collective bargaining in Canada to occur under conditions which provide a heaven-sent opportunity to the destructive forces of Communist agitation and sabotage to gain a foothold in every industrial centre in this country?

* * *

AN ORGANIZATION with a record as shameful as that of the C.I.O. in recent months in the United States can have no place in the traditionally peaceful and law-abiding Canadian labor scene. If the C.I.O. will demonstrate that it is really concerned with accomplishing what is in the long-term interests of labor; if it will abandon crime and violence and contempt for the law; if it will break loose from the Communistic tentacles that have wrapped themselves around the whole Lewis organization with no visible effort at resistance by that organization; if it will logically demonstrate the justice of its case and the bona fides of its intentions, then Canadian labor will be justified in considering whether or not it should affiliate with it. Canadian industry, too, will feel that it is dealing with a friend of labor and not a destroyer of labor.

To date, the C.I.O. has not demonstrated that it is deserving of the confidence of the law-abiding citizens. All it has done is to arouse disgust as to its methods, and distrust as to its objectives. It has not indicated that it is willing to move slowly and peacefully to achieve any useful ends. It has not indicated that it is willing to bring labor and industry together for the creation of that greater production out of which a higher standard of living may come for all.

* * *

UNDER the circumstances, Mr. Hepburn has taken the only stand that it was possible or proper for him to take.

As Premier of Ontario, Mr. Hepburn has the right to insist that those who profess to speak and act for labor shall observe the traditions of peace and order of which this country is justly proud.

As Premier of Ontario, it is his right and privilege to refuse to sit down in any negotiations with men who have not hesitated to flaunt the laws of the country from which they hail.

As Premier of Ontario, he can not do otherwise than fight the Communist agitator who is working alongside of and hand-in-glove with the C.I.O. destructive elements.

The Communism that Mr. Hepburn is fighting and that all Canada wants to fight is not the theoretical Communistic philosophy of the intellectual; it is that Communism which has long been preached and practised by bomb-throwing anarchists, by riotous syndicalists, by professional labor agitators. Such Communism is simply sabotage—whenever and wherever opportunity offers—of any existing institution, in the belief that when the present social system is utterly destroyed, chaos will ensue, chaos that may enable a single class in society to set up its own tyrannical dictatorship.

These are the issues in the present fight; these are what constitute

(Continued on page 2, col. 3)

Fall Election In Prospect For Alberta

Collapse of Aberhart is Predicted When House Reconvenes

OPEN REVOLT SEEN

From Our Own Correspondent

EDMONTON.—With the Legislature standing adjourned until June 7, or earlier if the Government calls it, and a deadlock existing in the Social Credit party in regard to Government policy, the prospect of a general election in Alberta before fall is being discussed.

The success of the insurgent attack upon the Aberhart Government, while falling short of overthrowing the administration, is seen in the order paper of the house, on which the Government budget and most of its treasured legislation remains in suspense.

Of the budget, only three-months' supply, lasting to July 1, has been granted by the Legislature. Three bills under the name of Trade and Industry Minister Cross, providing for business regulation and licensing, control of marketing and price-fixing, remain at second reading. The new sales tax bill is at the same stage, where as well is the debt reduction bill. In committee of the whole the debt adjustment act was left. Altogether, 14 measures were left over.

Government Position

The position of the Aberhart Government, apart from the question of the future of the Social Credit party, is extremely unstable. Social Credit policies for the present rest with a committee of five private members, under the new Social Credit act, and the Cabinet is accepting no responsibility for further steps in the direction of Social Credit.

The key to the situation rests, for the time, with the party, and the house line up, when it meets again, is awaited with interest, as it will reveal how the Social Credit members interpret the wishes of their party.

Should the Cabinet retain control of the house, which is possible in view of its original large majority, a clean-cut breakaway of a large group of members is indicated. Moreover, many of them would probably choose to resign rather than continue in the Legislature, judging that their mandate to continue has expired. One alternative to a general election therefore, is a series of by-elections in which public opinion would have the chance to be heard.

Issues Sidestepped

At no stage in the sitting recently adjourned was the exact strength of the insurgent group demonstrated. When the Cabinet realized the strong current of disaffection in the party, it avoided the issue by sidestepping vital questions of budget and legislation. The present Social Credit act was passed because it represents a compromise which is not acceptable wholeheartedly to anyone. Chances of success along Social Credit lines that will satisfy everyone are nil, and therefore the possibility of Mr. Aberhart's troubles being solved before the house reconvenes must be put in the class of a miracle.

To an overwhelming degree, the issue is developing, not as a question of making a belated start with Social Credit, but as to whether or not Mr. Aberhart must go.

The likely prospect is for the collapse of the Government when the house meets again, with the alternative being a serious division of party ranks that will leave the Government so weakened as to be unable to continue beyond one further session.

Banks Cut Rate On Montreal Loan

From Our Own Correspondent

MONTREAL.—City of Montreal bankers have indicated their willingness to cut interest charges to the city on temporary loans from 3 to 2¾%.

The reduction will affect the coming loan of part of the $18 millions which the city is authorized to borrow in anticipation of revenue. Also expected to be borrowed at the reduced charge is money for direct relief.

Highlights

Building Costs Soar

Prices of construction materials nearing peak levels of 1929 on one fourth of building volume. Do they threaten recovery? Page 20

Social Credit — 1937

Third attempt to give Alberta a new economic system. Page 12

Smelters and 1937

Millions spent by Consolidated Smelters on outside properties nears point of financial return. Page 23

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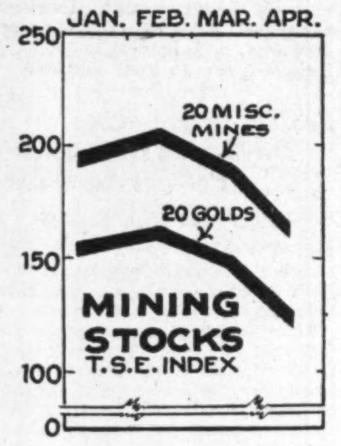

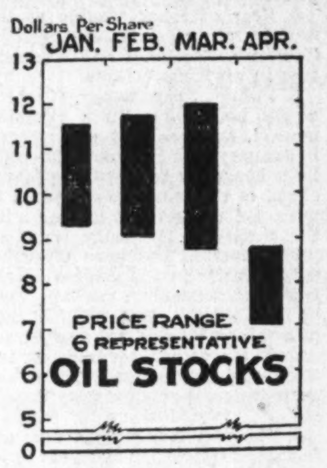

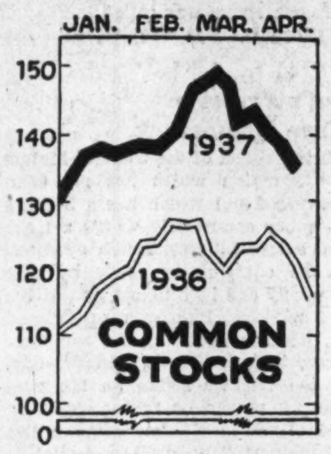

General Market Slump Halts Upward Speculative Trends

Mining Markets React to Known Disturbing Factors

DROP WAS SUDDEN

Just what happened to the mining market in the past few days can be briefly told. Factors causing these events do not, however, lend themselves to such condensation.

What happened, as shareholders do not need to be reminded, was that after weeks of softness, the mining market, both golds and base metals, experienced the worst drop in many months.

Some shreds of comfort, however, may be taken from the fact that, at time of writing, the various indices reflecting market action had not yet reached the low mark of 1936. For instance, the Toronto Stock Exchange index shows the 1936 low mark for gold stocks at 115.97, and for miscellaneous mines at 123.59. That was in March, 1936. The 1937 low mark for golds has not yet passed under 127.47 on this index, while miscellaneous mines have not passed under 165.24.

Thus it was not the levels to which prices dropped which took the breath away from all concerned; it was the suddenness of the drop, and the fact that, once started on their downward career, mining stocks seemed to have no resilience, no bottom.

Four Main Motives

Analyzing the situation, it is obvious that in the minds of investors were four main factors:

1. Rumors, steadfastly denied, that Washington planned to stop buying the world's gold at $35 per

(Continued on page 2, col. 5)

Wheat Markets Act Nervously

From Our Own Correspondent

WINNIPEG.—Reacting from recent peaks and declines, wheat markets are in a highly nervous state and are expected to continue so for several weeks. Every change in the crop outlook in the United States, Canada and Europe is capable of producing exaggerated effect. World surpluses are practically exhausted and present supplies barely sufficient to last until new crops are ready.

Oil Market In Doldrums

Paradoxes Puzzle Holders of Western Well Stocks

Faced with several apparent paradoxes, holders of western oil stocks are seeking a reason for the market decline.

Development of Alberta oil fields is being carried on at this moment on a scale hitherto unequalled. Operations in the past five months, to quote from the annual report of the usually conservative Imperial Oil Co., have proven a crude oil producing zone between three and four miles long at the south end of the west flank of the Turner Valley structure.

On several other structures, drilling has yielded favorable showings. Some 100 wells will be on their way down in the next few months.

Market Slump

Yet today the market seems to be suffering a complete collapse. The high point was reached just before the Westside well blew in and selling appears to have started before results were known. From that time to the present the oil market has

(Continued on page 2, col. 6)

Price Decline of Industrials Thought Normal Move

MAJOR TREND UP

In their recent weakness, industrial common shares are again demonstrating that the stock market pursues the tenor of its way unevenly. In this there appears to be little of the abnormal.

For the ordinary investor, the important consideration is that economic recovery has not yet developed into what might be termed full prosperity. Hence there appears to be scope for recovery of share prices in line with the economic trend toward better times.

One advisory service, in differentiating between the temporary and the longer-range price trend, describes the market situation in this way:

1. The month-to-month trend of stock prices was confirmed as downward early in April. The averages are now in process of determining whether additional recession is in order before an upward reversal is witnessed.

2. The year-to-year trend of stock prices and business has been upward since the summer of 1932. There have been no recent developments indicating reversal of this movement.

Ups and Downs of Prices

The ups and downs of share prices are disclosed in a broad way in stock market averages. The Toronto Stock Exchange average for industrial shares has fallen from 187.7 in early March below 170, a slump of about 20 points. The Montreal Stock Exchange index is down from 122.2 to about 110, a drop of approximately 12 points. The Dow-Jones average for New York industrials has declined from 194.4 to approximately the 180 level. Roughly, the decline varies from 8% to 12%.

There is a marked similarity in the decline of the past six weeks with that in the early months of 1936. It carried the Montreal average down from 78.4 to 69.7; the Toronto figure from 143.5 to 126.3; and the Dow-Jones average from 162 to 143.7.

(Continued on page 2, col. 7)

C.S.L. Expects Better Season

Will Operate 48 Vessels—Grain Uncertain—Other Prospects Good

From Our Own Correspondent

MONTREAL.—With the opening of navigation, Canada Steamship Lines boats have swung into action. This week 48 freight vessels are in service and the number will be gradually increased until the first week in June when the passenger vessels go into operation.

At present there is a very limited volume of grain available for movement at the head of the lakes, Georgian Bay ports or along the St. Lawrence. In the last four or five years there has been a relatively heavy movement of grain from the head of the lakes to the Atlantic seaboard with the opening of navigation, but such will not be the case this year.

Prospects for other bulk freight business are encouraging and general improvement in business has materially added to the volume of packet freight. The passenger traffic and hotel business interlock. Early signs are that a larger number of passengers will be handled on the company's boats this year.

The Davie Shipbuilding, a subsidiary of Canada Steamship Lines, has a good volume of business in sight. A number of vessels are scheduled for repair work. In addition the Dominion Government has put out specifications for several vessels, one or more of which may be constructed at the Davie yards. In addition enquiries have been received from England.

On the whole, the company's business is expected to be better than in 1936 when gross revenues totalled $9.4 millions. Net income available for depreciation and interest in 1936 was about $1.3 million.

Since the close of last year the recapitalization plan has been adopted. Under the scheme the outstanding 5% debentures, amounting to over $2.1 millions, will be retired out of cash resources next August. Accrued charges of bond interest and preferred dividends are wiped out, while the revaluation of assets allows an appreciable reduction in depreciation charges. The new bonds, replacing the old general mortgage bonds, will require $525,000 to meet interest payments, as against nearly $1.1 million on the previous issue. The substantial reduction effected in annual charges under the plan strengthens the financial position of the company.

New Life Company

An act to incorporate Atlantic Seaboard Life Insurance Co. has been given second reading by the Nova Scotia Legislature. K. L. Crowell, H. B. Hicks and G. N. Reagh have been named as provisional directors of the company which will have head office in Halifax. Capital stock will be $300,000 with the provision that this figure may later be increased to $400,000.

Canada Is Consulted On Roosevelt Scheme To Aid World Peace

Three-way Trade Agreement With Britain Proposed as First Move

From Our Own Correspondent

OTTAWA.—Behind the rumors which have been engaging Parliament Hill's attention in recent days of a pending tri-party trade arrangement between the United States, Canada, and Great Britain lies nothing less than President Franklin D. Roosevelt's hope of saving the world for peace and democracy by countering the war-breeding nationalism of continental Europe with a crusade for freer international trade.

It is now learned in high governmental circles that this is the project which the President of the United States discussed mainly with the Canadian Prime Minister when he had the latter as his house guest for a week-end last month.

Mr. Roosevelt had already outlined his ideas to the British Government, with the result that a United States-United Kingdom trade treaty is already in process of negotiation. He is understood to have desired to sound Mr. King on the larger issues of world peace before the Canadian Prime Minister took part in another Imperial Conference which, conceivably, might result in commitments which would place obstacles in the way of any subsequent desire for closer Canadian-United States trade relations.

Mr. Roosevelt's view, as he communicated it to Mr. King, is this:

The intensive nationalism which is rampant among the bellicose powers of Europe today must inevitably result in war. It can only be thwarted by its destruction, which in turn can be effected only by the restoration of international trade and international economic co-operation. Economic pressure

(Continued on page 2, col. 3)

Dividend Tax Still Unaltered

Proposals for increasing the American tax on dividends and interest going to non-resident investors are still under consideration in different government departments at Washington, but it is now believed unlikely that an increase will be made in the levy.

The tax at present is 10% on dividends and interest. The agreement reducing the rate to 5% in the case of Canadian investors has been held up at Washington, but is expected to be adopted soon. It was ratified recently by the Dominion Government.

The reduction from 10% to 5% for Canadian investors is to be retroactive covering 1936 dividends and interest, but is not effective until passed by the U. S. Senate.

Startling Drama . . .

Almost unnoticed in the midst of strike, gold price and other front page news is the startling drama of international co-operation which promises to bring Canada into one of the most amazing plans for world peace and prosperity that have been conceived in many a day.

It is a plan that affects Ottawa just as intimately as it does Washington and London. A plan that above all others will dominate the forthcoming Imperial Conference at London next month.

There's a hint of it in a special story from our Ottawa correspondent elsewhere on this page, but next week in The Post, Floyd S. Chalmers will unfold this far-reaching tale in all its fascinating and gripping detail. Be sure to read this feature.

Other important stories planned for this issue include a final article in the series "Profit Possibilities for Investor" and a special personality sketch around the plans and purposes of a man who has been making history almost every day in the province of Quebec — Premier Duplessis.

C.I.O. Widens Its Campaign In Dominion

Survey Reveals 5 Major Industries Included in Labor Drive

STABILITY MENACED

Steadily widening ramifications which endanger industrial stability in communities throughout the Dominion, became evident this week as the C.I.O. grasped for power over Canadian workers and industry.

Survey by The Financial Post of scope and effects of the C.I.O. drive to recruit Canadians under its dictatorial banner, reveals five major industries already overshadowed by its menace; one thousand supply concerns already affected by the strike stoppage in General Motors plants at Oshawa; increasing labor unrest in industries unaffected by the C.I.O. drive; and hostile alignment of national unionists against the attempt of an alien labor organization to gain a foothold in Canada.

Million Workers

The vast field constituted by the one million workers in Canada's mass production industries is the general scene of C.I.O. operations. The half-million workers in the auto, steel, rubber, textile and metal mining industries are the present objects of John L. Lewis's recruiting sergeants. Expert labor observers estimate that C.I.O. unions in Canada will have a strength of 50,000 by the end of the year.

The survey shows that the single major strike at Oshawa will already mean curtailment of employment in 80 Canadian communities whose industries feed the General Motors plant.

Detailed analyses of the full import of the C.I.O. conquest and the extent to which the invasion has widened its front will be found on pages 13, 14 and 15 of this issue. Interpretative comment and other features bringing out the full significance of the C.I.O. menace to Canada appear in "The Nation's Business" and on the editorial page.

Other Outbreaks

Paralleling C.I.O. operations in Canada has been an outcropping of strikes and labor restiveness in fields not penetrated by the C.I.O. or in which otherwise affiliated unions have a foothold. Non-C.I.O. disturbances have been reported among packing plant workers in Calgary, Edmonton and Vancouver; steamship dock workers in Toronto and Hamilton, shoe workers in Perth and other Ontario centres, and Ontario furniture workers.

In Montreal, the strike of 5,000 dressmakers was called by the International Ladies Garment Workers, a C.I.O. union, but was not the result of the C.I.O. campaign in unorganized industries.

New developments include appointment by American Federation of Labor headquarters in Washington of a special organizer for Ontario, in the person of John Noble, president of the Toronto District Labor Council. The exact significa and purpose of the move remained veiled by the silence of A. F. of L. officials and Mr. Noble himself. It aroused considerable speculation in labor circles, as Mr. Noble and the A. F. of L. council he heads endorsed the C.I.O. drive some months ago.

G. W. Saddlery Plan Attacked

Proxies Being Sought by Interests Opposed to Proposals

Opposition to the proposed reorganization of Great West Saddlery Co. is being organized and it is understood that the opposing group is gathering prozies for the meeting on May 3, 1937. It is considered quite possible that the plan will not prove acceptable to the required majority of shareholders.

Objections to the plan centre about the claim of large holders of first preference stock that the treatment offered to holders of second preference is too generous. Arrears of dividends amount to $48.75 on each class of stock but the second preference is claimed to be definitely junior to the first preference as to both assets and dividends. For each share of $100 par first preference it is proposed to give $50 par value of new preference and three common shares. Each share of second preference is to receive $40 par value of new preference and two common shares. Thus holders of old first preference would have their preferential dividends cut from $6.50 a share to $3 while second preference shareholders would get $2.40 under the new plan.

C.I.O. Agitators Busy in Montreal

From Our Own Correspondent

MONTREAL. — With recruiting well under way to bring Montreal steel workers into the C.I.O. unit in the steel industry, it is expected that the C.I.O. bid for strength among textile workers in this area will be resumed shortly. Preliminary work was done last fall by Alzee Bastien, C.I.O. textile union organizer, but interrupted by the long drawn out hearings of the Government textile enquiry.

Efforts of C.I.O. unions to gain a foothold in the steel, textile and other unorganized industries in Quebec province are expected to encounter a serious obstacle in the attitude of the Government and the Roman Catholic Church.

Roosevelt Sees Gold Purchases As Recovery Aid

Washington's Present Determination Is to Stick to Present Policy Indefinitely to Speed Return to Peace and Plenty

Canada May See Gold Over $35 Here

By FLOYD S. CHALMERS

Editor, The Financial Post

WASHINGTON.—It is because the United States hopes to lead the world out of the valley of economic crisis and into the uplands of peace and plenty that President Roosevelt is so firmly opposed to changing the administrations's gold policy.

Among the factors that have speeded recovery in the world has been $35 gold. The United States has underwritten the cost of $35 gold. It is prepared to keep on underwriting the cost indefinitely in order to maintain stability in the world until peace can be assured.

That is the inescapable conclusion one must come to after any penetrating examination of the Washington gold picture.

What is more, a new and striking possibility has entered the situation. It is this: that if British rearmament inflation results in depreciation of the pound sterling, the Canadian dollar will probably be linked with the pound. In this case, and assuming continuance of the fixed $35 price at Washington, Canadian gold can easily sell at a premium over that price in Canadian funds. (This possible development is discussed at greater length on page 22 of this issue.)

Reassurance

The world has been given plenty of reassuring messages from this city in the last two weeks upon the matter of the United States' gold policy.

Official, quasi-official, semi-official and unofficial statements have all combined to reiterate that the administration has not changed its gold policy and has no intention of changing it in the foreseeable future.

Not one of these statements seems to have been taken at its face value by gold share markets in any country. Gold stocks have continued to decline in South Africa, London and Toronto. Traders in gold stocks seem to have taken every statement with a grain of salt.

Day-to-Day Basis

Frequent reference has been made to the fact that since the United States Treasury is on a "24-hour basis" regarding any monetary moves, no assurances are good for more than that length of time.

Commentators point to the demonstrated fact that, in the ultimate analysis, only one man finally makes the administration's move on any matter of high policy. That man is the President.

And Mr. Roosevelt is a volatile, impulsive person, particularly in economic matters. In social policy, he has a fixed, long-term objective and has worked towards it with little deviation from his course. In monetary and economic matters he has not been noted for staying put.

Rumors Multiply

All these things are indubitably true and important. But they do not begin to tell the whole story of the cross-currents of monetary opinion and economic policy at Washington, which have produced an atmosphere in which rumors breed faster than flies; in which one hour's denial is followed by the next hour's new "inside" story, which in turn demands a new and separate denial.

To different groups in Washington, the gold picture presents very contrasting aspects. What the casual visitor to Washington finds out about the administration's possible gold policy depends almost entirely upon whom he sees.

For example, one would think that if he consulted the Federal Reserve authorities he ought to be able to find out what American gold policy is likely to be.

Or one would think that the Treasury department ought to know the answers.

Then there is the Department of State, whose views ought to be authoritative since the gold policy is a chief instrument in American foreign policy.

Also there is Congress. The word of committee chairmen in the Senate and the House ought to be close to final.

Varied Conceptions

The simple truth is that each of these groups is looking at gold through a different spy-glass. Each one sees a different set of problems; each one finds a different policy necessary; each one, in forecasting what gold policy is likely to be, is going to express an opinion based upon what he sees through his own spectacles.

That is the real reason for all the confusion. That explains why the rumors continue to fly thick and fast. That is why the Washington denials of a change in the gold price do not seem yet to have convinced the gold share markets of the world.

In Washington I have made it my business to discuss this question with the very highest authorities in the different groups. When I say the highest authorities I do not mean junior officials, no matter how important their positions. I mean the very top men, whose names are known the world over, whose authority is unchallenged. I cannot quote directly what any one of them said, because the understanding I had with each was that he would speak frankly and freely so long as he would not be directly quoted. What is here written is what I learned from these men.

Commentator's View

But first I want to quote an opinion given to me by a very shrewd Washington political commentator. I could not confirm it in any official circle, and I did not expect I would

(Continued on page 4)

Duty Cut Aids Hosiery Exports

22 Canadian Mills Benefit from Lower British Tariff

Substantial increase in exports of Canadian hosiery is anticipated as the result of a reduction in the British preferential duty on full-fashioned silk hosiery entering Great Britain from 36 1/9% to 28 8/9%, anounced this week.

Among the companies likely to be affected are Belding Corticelli, Ltd., Mercury Mills, Ltd., Ontario Silknit, Ltd., Riverside Silk Mills and Supersilk Hosiery Mills. In all, there are about 22 mills in Canada producing this class of hosiery, with export business to England already accounting for a considerable portion of total output.

In commenting on the duty reduction, Douglas Hallam, managing director of the Canadian Knit Goods Manufacturers' Association, stated that the reduction would apparently ensure export business to the Canadian mills until such time as sufficient fine-gauge machinery is installed in England to take care of their domestic market requirements. The lower tariff was arranged in the Canadian-British trade treaty, but only became effective on ratification by the British parliament.

New Pulp Mill Plan For Algoma

Plans for a new sulphate pulp industry for northern Ontario have been announced as a result of an agreement signed by the Ontario Government and George H. Mead, U. S. pulp and paper mill operator. Huron Forest Products, Ltd., is being formed to develop low-grade pulpwood such as poplar and jackpine, which cannot be economically used in the manufacture of newsprint.

Actual site of the company's plant has not yet been decided but it will be on the north shore of Lake Superior. Plans call for construction of a first unit to have a capacity of 100 tons per day, construction to start within a year and to be completed by 1939. Success with the original plant will lead to enlargement and an expenditure of $15 millions is possible. The sulphate pulp will be exported to the United States.

Officers of Huron Forest Products are: H. V. Bay, president, New York; John G. Sutherland, vice-president; G. C. Clarke, secretary, Toronto.

City of St. Johns

A syndicate composed of Banque Canadienne Nationale, Rene T. Leclerc and Credit Anglo-Francais has been awarded two bond issues of the City of St. Johns, P.Q., one issue consisting of $60,500 of 4% bonds maturing 1937-51 and one of $376,000 4% maturing 1938-62, at a price of 99.05 and accrued interest.

The syndicate has already sold all of the 1938-1943 maturities. The long-terms are being offered to the public.

N. B. Lets Road Contracts

From Our Own Correspondent

MONTREAL. — New Brunswick Government has awarded nine contracts for the grading and paving of 228.3 miles of provincial main trunk highways at a total cost of approximately $4.2 millions.

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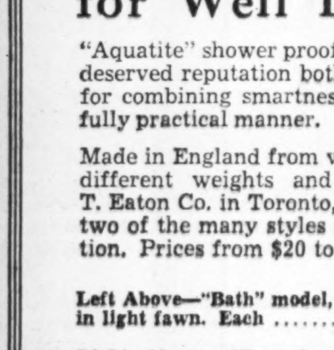

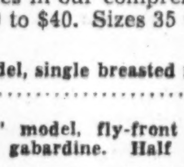

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■ Throughout the length and breadth of the Dominion are to be found branches of The Royal Bank, serving the people of Canada and assisting in the development of sound business enterprise.

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THE ROYAL BANK OF CANADA

OVER 700 BRANCHES IN CANADA AND 23 OTHER COUNTRIES

The Nation's Business

(Continued from page 1)

the challenge that Canadian labor, Canadian industry and Canadian governments must today face as Mr. Hepburn is facing it.

* * *

Ottawa's Attitude Is Supine

IT IS most unfortunate that the authorities at Ottawa have not been able to see the issue as clearly as the Premier of Ontario has seen it. Mr. King and his Minister of Labor, Mr. Rogers, have taken the view that the Dominion must not take sides between rival groups of labor organizers; that Ottawa must not set obstacles in the way of the spread of collective bargaining if Canadian labor wants to proceed with its organization on union lines; that Ottawa must not outlaw the strike as a labor weapon, if in any set of circumstances a strike is the only instrument by which a group of employees can obtain justice and a fair deal.

All this is perfectly logical and fair so far as it goes. But it so happens that not one of these things is the issue in the present fight. The issue is as set forth above; whether or not the organization of labor in this country is to be conducted by Canadian workers by peaceful methods, or is to be conducted by known law-breakers—imported for the purpose—on lines of violence and destruction.

* * *

THE Dominion Government should establish now, once and for all time, the principle that the immigration department's "open door" for union organizers is for the benefit only of sincere, honest and law-abiding citizens, and that entry will be refused to men whose record has been that of seeking to achieve the extension of their personal power and the enlargement of their private incomes by intimidation and force.

The Dominion Government should establish further the principle that a labor dispute between any industry and its employees must never be permitted to become a glorious opportunity for destructive Communistic groups to sabotage our social and industrial system.

* * *

BECAUSE they have failed to recognize the issues involved in the present labor disturbances in this country, Mr. King and Mr. Rogers have allowed a real crisis to occur in Canadian industry.

Mr. Hepburn, with the backing of the church, with the backing of 99% of the press of Canada, with the backing of all good citizens from coast to coast, has done what Ottawa itself should have done. He has saved Ontario, and perhaps saved Canada from the bloody warfare that C.I.O. revelled in across the border. There is no question that the C.I.O. would have done in Canada what it did in the States if Mr. Hepburn had not taken it upon himself to interfere, even when Ottawa supinely ignored the challenge. His firm stand will have its favorable consequences all over this continent. The C.I.O's destructive tactics have received their first major set-back. That the C.I.O. technique will be greatly modified as a result of resistance in Ontario is hardly to be denied. The C.I.O. may yet become a respectable citizen. But it has not yet shown evidence of a reformation in its character, and until it does, the fight must go on.

The C.I.O. is not promoting that industrial democracy which is so dear to Mr. King and Mr. Rogers. No word has yet been uttered that describes its effort more clearly than the word used by Hugh Thompson, "the Canadian John L. Lewis," in an interview given to The Financial Post before the Oshawa strike was called.

That word was "revolution."

* * *

Let's Preserve True Democracy

ONE aspect of the General Motors situation which has not been canvassed but which has a bearing on every community where a large and successful corporation operates, is the contribution made by that company and its officials, executives and workers. Figures are published in this issue showing the ramifications, both indirectly and directly, of the Oshawa strike on the purchasing power of that community and of scores of other communities throughout Canada. Any recital of these might well be supplemented by the intimate story of what it has meant to Oshawa to be the centre of an executive and employee spending power which in normal times gives work to scores of artisans in every conceivable line of endeavor.

Officials of the company are reticent about any publicity in regard to their own rôle in this important picture but there is little doubt that Oshawa building trades, for example, have reaped immeasurable benefit from substantial sums which have been spent on houses both for initial construction and for repair and maintenance in this community. The same thing applies to professional services and to scores of "specialists" who can only find employment in a community whose industries are sufficiently large and prosperous to support other than those who supply the necessities of life. This is but one link in the favorable circle of cause and effect that is broken when labor agitators pull men away from their jobs and attempt to break down an industry that is the backbone of the community.

* * *

THERE is another important aspect of the matter that is often overlooked. It is that an industry of the size and character of General Motors—which is an industrial democracy in the broadest sense—provides, for every man it employs, an opportunity to rise to a position of success and importance. Most of the men at the top of this industry started in the shops. The men who will head the industry in the days to come are now working in these shops—or would be if the course of their progress had not been interrupted by a strike that is not of their own willing.

The world will always need its industrial leaders as it needs leaders in every other sphere. It is far better to preserve the democratic spirit that permits the best men to rise to the top than to set up a Communistic system that levels all men down to the standard of the lowest mentalities, the weakest initiatives and the least inspired moral standards.

Under the C.I.O.-Communist plan there would be but a handful of leaders levying their toll on a mass of workers, steam-rollered down to a flat mediocrity in life and opportunity.

Canada Is Consulted On Roosevelt Scheme

(Continued from page 1)

must be applied, however, to convince the nationalistic powers that it is in their own interest to forsake their nationalism and join in the pursuit of world-wide prosperity. And the Anglo-Saxon nations of the North Atlantic are sufficiently powerful economically, with their domination of huge raw material resources, to exert this pressure.

If Great Britain, Canada, and the United States lead the way in a crusade toward freer trade, the rest of the world, Mr. Roosevelt believes, will be bound to follow.

So far as the future of the Democratic party as the result of such a policy is concerned, the President is understood to hold the view that in the present temper of public opinion, with sentiment running so strongly on the American continent against war, there can be no better politics than peace.

Presumably the Roosevelt plan would require bi-lateral trade treaties between the United States and Great Britain and between the United States and Canada, with an underlying agreement on the part of all three nations upon the provisions of each pact. The United States-Great Britain pact is under negotiation, while a United States-Canada trade treaty already exists and would only have to be widened.

The logical status for the Republic and Canada to seek in any move for the restoration of the natural channels of trade would be a return to the status quo existing before the passage of the Smoot-Hawley and more drastic features of the Fordney-McCumber tariffs. If such a return could be effected, conceivably the result would be to shift the axis of Canadian trade once again from East and West across the Atlantic, to North and South across the United States border.

In return for concessions to Canada to permit the Dominion's trade to flow in its natural north to south channel, the United States would conceivably secure concessions in the United Kingdom market, from which she has been largely barred since 1932 by the preferences given to Canada.

Unquestionably the British Government has been sounded out in respect to the scheme, and, from the reported smoothness of trade negotiations between the United Kingdom and the Republic, its approval has been forthcoming. The project will undoubtedly form the policy background against which the coming broad discussions at the Imperial Conference will be held.

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Treasury Bills

The Bank of Canada has announced the sale of $25 millions of treasury bills, due July 15, at an average discount price of 99.80809. This represents an average net cost to the Government of 0.771%. The cost of the previous issue sold on March 31 was 0.786%.

Mining Market Slump Ascribed to Variety of Disturbing Factors

(Continued from page 1)

ounce. This included the rumor, (for it was little more) that Washington planned to leave gold prices at $35 per ounce fixed, but planned to establish a quota on the amount of gold it would buy at this price.

2. Fear of labor trouble at the mines, following activity of the Committee for Industrial Organization in northern centres.

3. Public psychology, which works both ways. In a climbing market, such as that experienced in January and February, the public is generally two or three jumps ahead of the mine, thus tending to push the market out of line with the property. The same snowball effect reversed has been undoubtedly a factor in the present break. Under this heading, perhaps may be included the important fact that in a falling market, all margin accounts are either covered, or the stock sold by the broker, thus accentuating the condition, by dumping still more stock on the market.

4. The fact that myriad new offerings made earlier this year have resulted in a bad case of indigestion.

Interwoven Causes

It is impossible to allocate to these four factors their respective importance. Each is a contributing cause. For instance, if the mining market had not been crammed with new offerings, the Washington and C.I.O. rumors would not have had a telling effect. Conversely, if the Washington incident had not occurred, prices would probably have been less unsettled, as nobody has yet been able to demark the exact limit of a market's ability to absorb new offerings.

Combined, the four factors mentioned above, formed a powerful hammer with which to drive down prices. It will be noticed that three of them are intangibles, only the fact that the market has been forced to absorb a tremendous amount of new offerings being an actual fait accompli. While Washington is admittedly baffled by the inflow of gold it has definitely stated that its attitude toward the price of gold remains unchanged. The C.I.O., while represented in some sections of the north, has not definitely threatened a walk-out or a sit-down. To date, the only talk of drastic action has come from the mine managers themselves, who have threatened a lock-out. The public psychology factor is in itself an intangible.

Accordingly, with the exception of fiscal indigestion, factors influencing today's mining market may all be grouped under the heading of fear—fear of something that has not yet happened. The fact that they may happen is admitted, but the point at the moment is that, to the extent that present bearish factors are intangibles, the present mining market is still a speculative one.

Margin Accounts

As to the tangible factor in the current market scene, namely the plethora of new mining issues, the present debacle will undoubtedly have the beneficial effect of clearing the air. This will be small satisfaction to the thousands of small investors who have lost money on the penny stocks and newer issues. But the fact remains that the evil of market indigestion was there, and to a great extent will now be eliminated. In addition there is evidence to show that most marginal accounts have by now been closed out or covered up.

What of gold and base metal stocks at the present low prices? Are there bargains kicking around?

Much depends on what one feels a gold stock should yield. Some feel that on the average established gold mine, shareholders should be entitled to a yield of at least 10%. This view is open to debate and has seldom been justified in the past. Lake Shore Mines, for instance, a stock with substantial ore reserves, and all the requisites of an investment-speculation, would at $50 per share yield nearly 10%. The high for 1937 on this stock was $59.25, at which price the stock was yielding slightly over 7%. Even at that price, there were those who considered 7% on a stock like Lake Shore, attractive.

Current Yields

McIntyre Porcupine, a stock which has also suffered, and dropped from a 1937 high of $42.25 to a low at time of writing of $36.62, is yielding at the latter price 5.4%. This stock is becoming more and more an investment trust and to that extent is not dependent on the price of gold at all. Hollinger, at its recent low mark was selling at prices which represented a yield of 9.3%. Dome was yielding 9.1% during the recent debacle. Premier (like McIntyre, largely a holding company with diversified risk and excellent management) yielded over 5%. Wright-Hargreaves was yielding 9.2%.

These stocks are all among the leading mines of Canada, and have gone about as far toward eliminating the speculative feature from their stock as a Canadian mine can go. The speculative element in these stocks is, in the main, synonymous with the future of gold.

These are only the dividend paying stocks. To parallel degree, the same is true of the more speculative, non-dividend paying stocks.

Judging from letters received at the time, there were many observers who disagreed with The Post last year when it intimated that a public willing to pay over $14 per share for O'Brien stock, was looking far ahead into the future. These same persons could have picked up O'Brien stock at half that price a few days ago.

Future Outlook

As to the future, it is obvious that the market for mining stocks, although subject to temporary fluctuations even in such subnormal times as the present, will remain on the whole depressed just so long as Washington's policy remains uncertain, and the shadow of Lewisism is cast over the scene. There cannot be a healthy mining market while these two important issues are in doubt.

If they are settled adversely to mining, Canada can still have a prosperous mining industry. As pointed out in a recent issue of The Post, Canada's gold mines, with the exception of a few marginal producers, can operate at a profit with gold prices materially lower than those now prevailing.

As for Lewisism, it is possible that industrial organization of labor will result in higher labor costs. Spread, however, over, say, three million shares, these higher costs may not have a very material effect on earnings per share. Shut-down of operations at the mine is another possibility, and one which would undoubtedly reduce earnings if extended for any length of time.

But this prospect at present appears fairly remote, and at worst, temporary. During the course of the shut-down, the chief asset of the mines, namely ore, will not be depleted.

In the meantime, it appears that those speculators whose capital is not quite sufficient to allow purchase of the better grade stocks under normal prices, have now an opportunity, with careful selection, to include a few in their portfolio.

Factors Surrounding Oil Market Doldrums Present Paradoxes

(Continued from page 1)

moved steadily lower to a point which a few weeks ago would have been considered almost inconceivable.

This condition exists despite the fact that the eventual development of internationally important sources of oil now appears within the bounds of possibility.

Contributing Factors

Outside factors, having little or no connection with actual field results, have obviously been at work. Undoubtedly the anaemic condition of the mining market and recurring uncertainties in the world political and commercial scene have had an important bearing on the present state of the oil market, but the oils had started a decline of their own before the slump in mining stocks had made its appearance.

The suggestion appearing from time to time during the decline that short-selling was responsible does not seem justified. The general situation presented too many uncertainties to attract short-selling.

The selling which came into the market just as the Westside well was on the point of completion, at a time when it could not be known whether the well would be successful or not, can be credited to profit-taking. It would seem that traders on margin, who could not afford to take a chance, were the sellers.

Light Trading

The light volume of trading might easily have been construed as an indication of a strong technical position leading to a further rally. Actually the oil market was suffering from a plethora of share offerings in newly-formed companies which had apparently attracted and tied up the bulk of small speculators' available funds. This same over-abundance of new mining issues began to exert its depressing influence shortly afterward.

As the decline continued, volume increased sharply in the few days after the important Dalhousie No. 8 well reached the 450-ft. horizon in the lime, at which approximate point production had been obtained by earlier Turner Valley crude oil wells. It was perhaps natural for the "man on the street" to be uneasy over the delay in completing the well, although from its location some seven miles northwest of the crude oil producers it was reasonable to suppose that identical conditions would not obtain.

It was about this time that the most significant factor in the decline began to have its effect. Brokers operating in Alberta were notified by the provincial authorities that they would no longer be permitted to carry accounts on margin. Only special exceptions to this rule were to be allowed upon application. This was the "straw that broke the camel's back" and the unloading process was a painful one.

Political Crisis

At the beginning of April a political crisis made its appearance in Alberta. Fear of possible governmental interference in the event of the more radical element gaining control found expression in further uneasiness in the oil market.

From that time until the moment of writing the oil issues as a whole have shown little tendency to move in either direction and have settled down in the doldrums of exceedingly light trading.

What of the future? Extension of the proved crude oil zone in Turner Valley must apparently be delayed until wells recently commenced have been drilled to completion. This will require some little time. The autumn of 1937, however, will see a large number of wells on the point of completion, and predictions of enthusiastic interest at that time would appear well-founded.

Granted that the boom of January and February led oil stocks into a vulnerable position of which a technical correction was inevitable, yet the length and severity of the decline has left the oil market at a level from which a substantial advance seems justified. Shareholders would appear to have good reasons for believing that within a reasonable period there should be developments directly affecting a number of companies, to justify substantially higher prices for their shares.

Organized Support Absent

In trading in any market, however, the matter of organized support is important. It is normally to be found in the industrial and mining markets of the world, but oil stocks at the present time appear to lack this necessary factor, as far as eastern Canada markets are concerned. This "support" is not intended to suggest manipulation, but rather legitimate participation in the market by active traders who are in a position to judge whether stocks are selling at reasonable levels.

Until eastern Canada traders have become sufficiently interested in western oils to make commitments on a substantial scale at critical moments, the oil market may be subject to wider fluctuations than would otherwise be the case. On the other hand, a restraining influence will likely be felt in the Calgary market for a time, now that trading is limited to cash accounts.

All these factors should be borne in mind by the speculator before making commitments in oil stocks. Substantial profits have been made in oils, and may be made again by the "man on the street," if he will study the factors governing the market at the time he is thinking of "taking a flyer."

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.80	5.10
Can. Invest. Fund, ex-div.	4.55	4.90
All Can. Trustee	15.00	15.75
Trans-Canada	..	14.85
Grouped Income	6.87	7.30
Can. Equity	13.75	...
Can. Int. Tr., modified	6.25	6.75
Do., unmodified	5.75	6.25

CROP REPORTS

As in previous years, the Bank of Montreal will publish during the season frequent reports on the progress of the crops.

These crop reports are telegraphed to various centres, from which they will be mailed free to all who require them.

Application to be put on the mailing list may be made in person or in writing at any branch of the Bank.

The Bank also publishes throughout the year a monthly letter on business conditions. Copies of this are also available free on application.

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Previous experience includes years of practical work as engineer and manager of various companies, of one of which he was president.

We believe that he will be most valuable to a company embarking on a program of expansion and development. This company, however, must be big enough and progressive enough to assure him not only a present position worthy of his experience and qualifications, but also of a real future. His age is 45 and minimum salary expected is $15,000 per year. If you are seriously interested, we shall be happy to put you in direct touch with the man we have in mind.

YOUNG & RUBICAM LIMITED
1126 University Tower Building,
Montreal, Que.

Recent Price Declines In Industrial Stocks Seen Normal Recession

(Continued from page 1)

After the 1936 spring slump, share prices advanced sharply later in the year, reaching a peak in November. This does not necessarily mean, however, that the pattern of the price trend will be the same in 1937.

The important points for the investor are:

1. Even though the broad trend of prices may be upward, temporary recessions are bound to occur from time to time.
2. The fact that prices are fluctuating in a range above the general level of last year reflects the retention of a major part of the total price advance; and it is significant of the longer-range upward trend of prices.
3. Whether the current period of weakness will be completed in another week or two, or whether it may carry prices further down and extend over two or three months more.

The last question cannot be answered dogmatically. The precise answer can only be given by the stock market itself. Further recession amounting to another 10 points in the averages is regarded as possible. The main point made by economic-minded analysts of the situation, however, is that the present downtrend of industrial stocks is probably temporary and should be followed sooner or later by resumption of rising prices.

Analytical Comments

Trustees of one of the largest investing companies, Massachussetts Investors Trust, recently commented on the confusion caused by uncertainty over the effects of government policies and by widespread labor disturbances. Despite these uncertainties, the trustees commented. "it is felt that the cycle of business recovery is broadening and has not yet run its course, and inflationary influences exist which seem to favor the investment position of common stocks."

Another analysis of the economic situation with respect to the stock market states that basic economic forces, such as easy money conditions and low interest rates, the backlog of deferred demand for durable goods, and even price-cost relationships in industry, all are favorable to further recovery over the several years ahead. Hence it is suggested that the investment outlook for industrial stocks is promising for the next few years, despite temporary uncertainties.

Conflicting Movements

It is regarded as partly coincidence that talk of a change in the price of gold, with consequent weakness in mining shares, should occur at the same time as the recession in industrial stocks. A declining trend in one group of stocks like gold shares which are important in the Canadian economy naturally has an adverse effect on the stock market as a whole.

It is also notable, however, that there has been a directly opposite trend in other sections of the market, particularly in higher prices for pulp and paper shares and agricultural implement stocks. These trends reflect prospects of substantial improvement in returns from forest and farming industries and for investors in the companies.

An important influence contributing to the current down-swing of stock prices is increased speculation by the public reflected in stock brokers' loans. The fact that brokers' borrowings on securities more than doubled in the past year indicates increased quantities of stocks in the hands of speculators available for liquidation. A recession such as has been in progress recently, usually reduces such loans and strengthens the position of prices.

Credit Situation

Owing to the plethora of credit in banking systems both here and abroad, as shown by low interest rates on prime bonds, it would be possible for a considerably greater expansion to take place in brokers' loans.

There is considerable opinion among investors that another stock market crash, and perhaps another major depression, is now in the making. This view may be interpreted partly as a reflection of the caution learned from the experience of the past eight years. The fear of another collapse in stocks may therefore be a healthy condition, possibly indicative of abstention from the excesses which lead to the 1929 panic.

Another feature of the current investment situation is that despite the fear of another 1929 collapse there is a growing volume of money available for purchase of common stocks. This is partly due to redemptions of corporation debt, and partly to new savings. An important contribution to the growth of funds for investment has been the rise of prices for all sorts of securities in recent years, which has added billions to the value of investors' funds.

DIVIDEND NOTICES

Zellers Limited

Notice is hereby given that the regular quarterly Dividend of one and one-half (1½) per cent ($1.50) has been declared on the Preferred Shares of Zellers Limited and will be payable on and after May 15th, 1937, to Shareholders of record at the close of business April 30th, 1937.

By Order of the Board.

T. E. McDERMOTT,
Secretary-Treasurer.

WINDSOR BONDS

We have prepared a circular giving details of the settlement of the Bonds of the new City of Windsor (including Walkerville, Windsor, East Windsor and Sandwich). This circular shows the amount of arrears of interest payable in cash and other information which should be interesting to all Bond Holders.

Copies Mailed on Request.

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Profit Possibilities for Investors 6.

High Hopes in Laggard Stocks Form Offset to Investment Risk

Anticipation of Improved Returns on Low-earning Shares Has Possibility of Disappointment — But Recovery of Prosperity Results Would Mean Big Returns

By C. W. STOLLERY

Discrimination in selection of common stock investments is becoming increasingly important.

The economic recovery movement has brought more or less improvement in almost every field of business activity, and this has been reflected in the stock market. Substantial values have been placed even on shares that have had little or no earnings.

Experience of the past few recovery years, however, shows that it is necessary to anticipate improvement in an industry, or within a single company, to obtain the best investment results, either in income or capital value. The higher levels reached by stocks in recent months, of course, increase the investor's risks in buying on the belief in greater future prosperity.

There appear to be two main types of laggards in common shares, both having peculiar interest for the investor.

First, there are companies whose shares have lagged either because of lack of general interest, or because of problems of the individual organization.

Second, there are the shares of companies in industries which have not yet felt more than partial economic recovery. In this field lie the shares of companies dependent largely on agricultural purchasing power, or depending on the building industry.

Stock Laggards

Purchase of shares of these types involves the risk that the anticipated improvement may not take place, and that in the meanwhile there will be little or no income on the investment. There is also a risk, of course, of capital loss. As an offset to these disadvantages, there is the possibility of substantial returns in relation to the invested capital, provided the investor's initial hopes are realized.

A group of the more interesting among what might be termed common stock laggards follows:

	Price	Share Earns.	1929 High
	$	$	$
Beatty Bros., A	17	.42	59
Canada Bread	8	.15	28¾
Can Canners, 2nd pfd.	11	*.19	28½
C. P. R.	14	.04	66¼
Cockshutt Plow	17	.07	53
Dominion Stores	11	1.23	55
Gypsum, Lime	15	.09	32¾
Int. Metal, A	15	.43	89
Massey-Harris	12	d.91	98¾
National Grocers	10	.74	†
Nat. Sewer Pipe, A ..	20	d1.72	38½
Reliance Grain	13	1.25	45
Union Gas	14	*.55	.45
W. Canada Flour	10	d.88	41

* Applies to 1935 year. d Deficit.
†Not available.

Many other issues could be added to any such list. For example:

F. N. Burt Co. common stock has lingered for months around 42, apparently because earnings of $1.77 a share have fallen below the $2 dividend.

Industrial Acceptance class A common remains in the mid 30's despite earnings of $3.55 a share for 1936, possibly because public interest has not been stimulated so much as in other stocks.

Canada Cement common shares represent an investment in a company dependent upon the slow-recovering building industry. But the rise of the shares to nearly 20, in view of the heavy prior charges and absence of any dividend history, limits the investment possibilities.

Another group in which interest and prices have lagged includes shares of some investing firms like Canadian International Investment Trust, and Dominion-Scottish Investments. Selling below $5 a share, they may eventually reward the really patient investor.

Past Performance

Getting back to the foregoing list, the investor will find from examination of past performance in periods of prosperity that many of the stocks enumerated were able to earn unusually large returns on their present market value.

Beatty Bros. class A common stock earned $3.61 a share in 1929-30, and paid dividends of $2 a share. Due to the leverage of fixed dividends on senior preferred shares, on which there are no arrears, an increase of, say 50% in net profits would more than double the earnings on the common. This year the company's sales have been increasing and except for the effects of rising costs improved earnings seem probable.

Canada Bread common shares haven't paid a dividend since 1931. The common is entitled to 10 cents a share after which profits are divided with the second preferred. The 1930 earnings were equivalent to over 80 cents a share. Some time may pass before any common dividends are paid, but the shares have possibilities of income returns in the future. The company, of course, has had rising costs but may be able to offset this by increasing volume.

Canadian Canners convertible second preferred stock appears to be in line to return to a dividend basis this year. Although the report for the year ended last February is not yet available, it is understood that earnings have risen materially. It is not expected that the shares will receive the maximum annual dividend of $1 a share at present, but good returns could be paid on the present price.

Railway Future

C.P.R. ordinary shares represent a net book equity of over $40 each on which, however, earnings are next to nothing at present. Pessimism abounds concerning the shares largely because of the serious Canadian railway problem and also because recovery of earnings has come very slowly for the C.P.R. The picture would be changed, however, by larger crops and continuation of general industrial recovery. Even with higher wages, increased volume should be reflected largely in multiplication of earnings on the ordinary shares because railway overhead is always present and is reduced proportionately with increased loadings. While satisfactory returns appear distant, they are far from impossible.

Cockshutt Plow Co. shares have reflected the improvement in results experienced in 1936. There are no senior securities and whatever profits are made apply directly to the 300,678 outstanding common shares. With rising export business and possibilities of marked improvement this year in Canadian agricultural income, it may not be long before earnings justify the present price of the shares. Before the depression, profits ran as high as $2.80 a share and dividends at $1.50 a share annually.

Dominion Stores is a company in the service and consumption field whose recovery has been slow, largely due to internal reorganization. The common shares are an investment in rehabilitation of earnings and in a net book equity of $11.39 a share. Before the depression and changed merchandising trends struck the company, earnings were over $1.80 a share and dividends $1.20 a share with extras.

Gypsum Lime & Alabastine shares represent investment in one section of the building industry. If the lag in building recovery is made up in the expected period of prosperity, this company should participate in a better than average rate of improvement. This hope is already discounted to some extent in the market price of the shares.

Dividend Arrears

International Metal class A common stock is an investment in a firm that has had unusually wide fluctuations in earnings. While the result was a marked slump in the depression, which has left heavy arrears of preferred dividends, the 1936 results show recuperative power which should be reflected in the common shares if we are to have at least a few years of "good times."

Massey-Harris common shares are junior to the preferred stock on which arrears of dividends exceed 30%. The feature of the situation that gives some hope for the common is that farm purchasing power appears likely to increase substantially this year. The common remains a long way from earnings, but may not prove a bad risk.

National Grocers common shares would probably be ranked higher if it were not for arrears of preferred dividends. These are being liquidated gradually by cash payments. If, however, a plan is eventually adopted to liquidate the arrears—and so far efforts to that end have been unsuccessful — the common shares would benefit.

National Sewer Pipe class A stock is really a preferred issue, with arrears of dividends which will reach $9 a share this year. The company has suffered severely in the depression but still shows a net book equity of over $70 a share for the A stock. Due to the slow recovery of building, no great improvement is to be expected immediately. But the strong position in relation to the A shares gives a possibility of very high yield if the company can recover anything like its pre-depression earnings.

Grain Possibilities

Reliance Grain shares form an investment in a field of business which has had more than its share of depression. It may be that the grain business will have a marked recovery. The company has had good results in comparison with the industry, and on the basis of last year's earnings the shares appear to be a reasonable risk.

Union Gas report for the year ended March 31, 1937, has not yet appeared but is expected to show improvement. The company has widened its western Ontario market for gas and this may eventually allow further increases in the annual dividend which is now 50 cents a share.

Western Canada Flour Mills has arrears of over $20 a share of preferred dividends ahead of the common stock. And recovery in the flour milling industry has been disappointingly slow. The company's record, however, indicates that high returns on the present value of the shares are possible in a period of more stabilized conditions in wheat and flour trades.

The group of stocks discussed briefly in this article is a collection of investment risks. It is not suitable for the funds of "widows and orphans." Since most of the stocks pay no dividends at present, they do not meet the requirements of those who depend on income from securities. Such laggard stocks, however, provide a convenient means for the investor who is able and willing to take some risk to give his portfolio an element of potential elasticity, both as to income and capital. The problem of how far the investor should go in placing funds in these secondary types of common shares depends largely upon individual circumstances.

This is the sixth in a series of articles on profit possibilities for investors. The seventh and final article in the series will appear in The Financial Post next week.

Hydro Power Load Up 8.7% in March

Primary Load Shows Gain for Every System

Primary power loads of all systems of the Hydro-Electric Power Commission of Ontario showed marked gains in March over the same month of 1936.

The total increase in primary power loads for all systems was 8.7%.

In the Niagara system, serving the industrial centres of southern Ontario, the gain was 64,881 h.p., the largest increase in volume.

The largest percentage increase, however, was in the northern Ontario properties where demand from new mining areas is steadily increasing. The increase in this system was 22.2%. The Thunder Bay system with a gain of 14.4% had the second largest percentage increase.

With the exception of Niagara, all systems showed an increase in peaks of primary and secondary loads combined. The combined peak load for the Niagara system declined 0.8%.

Comparative figures follow:

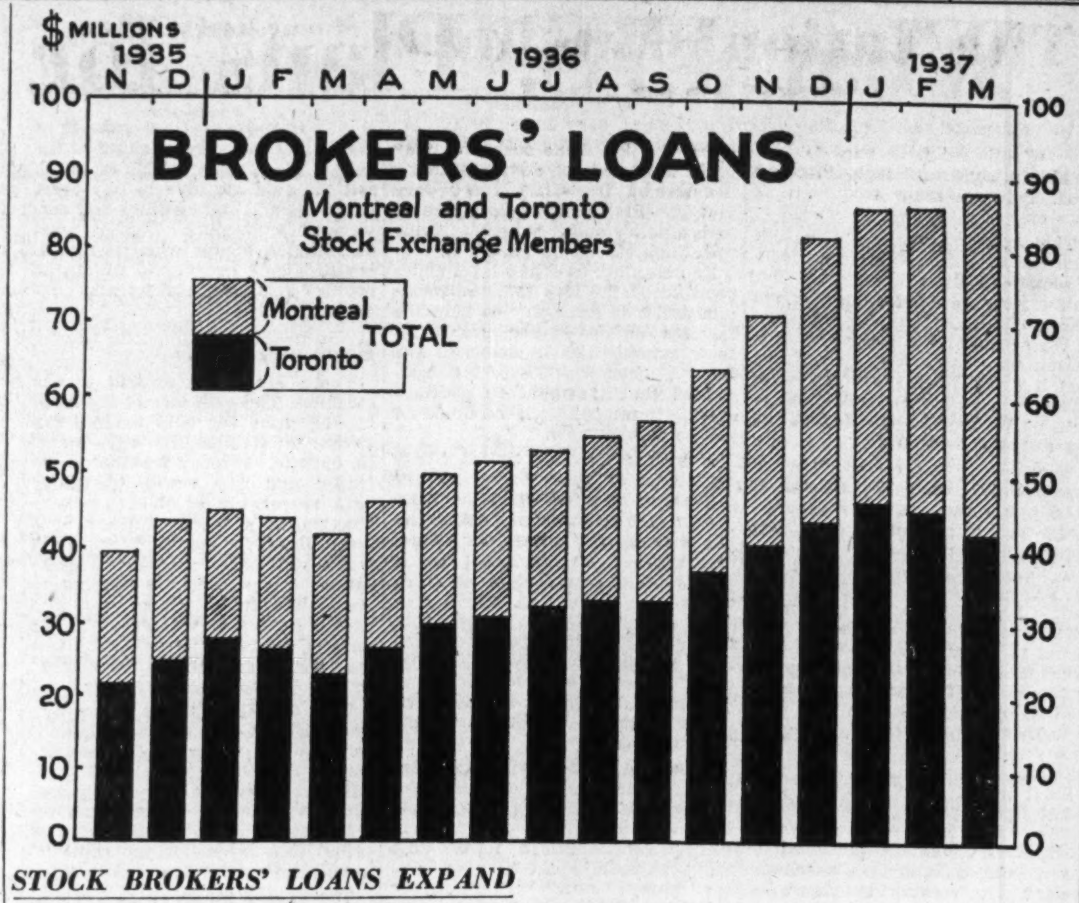
Ontario Hydro March Loads
Maximum 20-Minute Peak Horsepower

Systems:	March, 1937	March, 1936	Incr. %
Primary Load:			
Niagara	972,521	907,640	+7.1
Eastern Ont. ..	108,359	100,791	+7.5
Georgian Bay .	24,062	22,198	+8.4
Thunder Bay ..	77,949	68,157	+14.4
Northern Ont..	101,611	83,140	+22.4
Total	1,284,501	1,181,926	+8.7
Primary and Secondary Loads:			
Niagara	1,146,783	1,155,496	—0.8
Eastern Ont. ..	124,987	112,808	+10.8
Georgian Bay .	24,062	22,198	+8.4
Thunder Bay ..	138,177	127,279	+8.6
Northern Ont. .	186,061	152,845	+21.7
Total	1,620,070	1,570,626	+3.1

President Reports Rise In D. A. Stuart Oil Profits

H. A. Greene, president of D. A. Stuart Oil Co., states that the company's earnings after depreciation amounted to $107,836 for the nine months ended Feb. 28, 1937, compared with $62,426 for the corresponding period of the preceding year. Earnings for March, 1937, he says, were $15,525.

A substantial gain should be shown in earnings for the full year which ends May 31, Mr. Greene comments, because March, April and May are usually the largest months of the year in point of sales.



STOCK BROKERS' LOANS EXPAND

Borrowings on securities by members of the Montreal and Toronto Stock Exchanges totalled $88.1 millions at March 31, more than double the total of $41.7 millions at March 31, 1936. While Toronto Stock Exchange member borrowings declined $4.4 millions in February and March of this year, those of Montreal increased by $6.5 millions.

Borrowings of stock brokers on securities reflect the volume of public participation in stock market dealings. Such borrowings also tend to increase with higher prices for stocks. Generally speaking, increasing volume of brokers' loans is construed as tending to weaken the position of stock prices.

At March 31, 1937, Montreal Stock Exchange member borrowings were $45.7 millions, compared with $40.7 millions in February and $18.9 millions in March, 1936. Toronto Stock Exchange member borrowings were $42.4 millions in March, 1937, compared with $45.3 millions in February and $22.9 millions in March, 1936.

Compromise Is Reached On Windsor Bond Plan

Rates Higher Than Proposed by Municipal Board

INCOME INTEREST

Differences in regard to refinancing proposals for the city of Windsor have finally been settled, agreement having been reached between the bondholders' protective committee, city authorities and the Ontario Municipal Board.

The new agreement provides for interest at the rate of 4% on Walkerville debentures, at 3¼% on old city of Windsor debentures, 2% on East Windsor debentures and 1½% on Sandwich debentures. In the case of Sandwich and East Windsor the rate is the same as provided in the plan submitted to the Ontario Municipal Board while the rate on Walkerville and old city of Windsor debentures has been reduced by ¼%.

Two Months to Complete

About two months will be required to complete legal details in connection with the refinancing and to print new bonds. On or about June 30, however, Ontario's major municipal default will be eliminated and the stigma of repudiation lifted from the second largest city in the province.

The total debenture debt of the former municipalities dealt with under the Windsor refinancing plan is $34.6 millions which is more than one-third of the Ontario municipal debt which is in default.

Ends Long Dispute

Announcement by Eric Cross, chairman of the Ontario Municipal Board, that the disputing parties had been brought together and an agreement reached, marks the end of a dispute of more than a year's duration.

In Dec., 1935, the fiscal agents for the city of Windsor announced a refinancing plan which proposed a reduction in principal as well as interest. Bondholders immediately rejected the proposal. Four months later a revised plan, providing for full principal but a reduction in interest, was announced. This scheme was submitted to the Ontario Municipal Board in September last. The municipal board in its judgment proposed drastic revisions in the plan, but bondholders immediately filed legal objections.

Victory for Bondholders

The settlement is a victory for bondholders and represents an about-face on the part of the Ontario Municipal Board. For instance, the municipal board found against the income interest feature, but under the settlement this feature is restored.

Shown in the tabulation below is the rate which it is now proposed to pay on the bonds of the former municipalities forming the new city of Windsor, along with the rates which were proposed in the scheme submitted to the municipal board and the rates which were proposed by the board itself in its December decision.

INTEREST RATES

	New Rate	Proposed by Municipal Board	Rate under Plan
Walkerville ..	4%	3%	4¼%
Windsor	3¼%	3%	3½%
East Windsor	2%	1¾%	2%
Sandwich ..	1½%	1¼%	1½%

As originally drafted the refinancing plan proposed a 60-year term for all of the new bonds to be issued. The municipal board in its decision proposed a 40-year term for Windsor, East Windsor and Sandwich bonds and a 30-year term for Walkerville bonds. Under provisions of the compromise settlement all bonds are to be issued for a 40-year term.

Under the terms of the scheme submitted to the municipal board last year the operating budget of the city was to have been fixed at $2.7 millions. If operating expenses were increased above this amount then an additional amount equivalent to 125% of the increase was to be provided for debt service. The additional 125% was to be divided on the basis of three fifths for income interest and two-fifths for sinking fund, with the maximum interest fixed at 5%.

Under the terms of the new settlement, expansion of operating expenses, including tax discounts, to $2.9 millions is to be permitted before the income feature becomes operative. Furthermore, maximum interest is to be fixed at 4½% and the additional 125% for debt service is to be divided equally between income interest and sinking fund.

Tax Collections Improve

As a result of restoration of the income feature bondholders are hopeful that they will eventually receive a larger amount of interest than is provided by the mandatory rates, especially since conditions in Windsor are improving. Last year tax collections showed a very marked increase and this trend has continued in 1937 to date. Collections of current taxes to Apr. 13 amounted to $2,386,182, or about 60% of the levy. In striking its 1937 tax rate the city levied for interest on the basis of the rates proposed in the decision of the municipal board. Although the actual rates will be higher it is not expected that a further levy will be necessary.

Payment on Arrears

The refinancing plan is effective as at Dec. 31, 1935, so that interest at the revised rate is payable for 1936 and a further half-yearly payment will be due on June 30 next. Furthermore a cash payment will be made in settlement of accrued and unpaid interest to Dec. 31, 1935. The tabulation below shows the amount which will be payable on 5% and 6% debentures of the four municipalities as at June 30, 1937.

Town of Walkerville
Defaulted Dec. 14, 1935

	*5% Bond	*6% Bond
Accr. int., Dec. 31, 1935 ..	$2.33	$2.80
To be paid on arrears ...	0.35	0.42
Add: 1936 interest	40.00	40.00
Int. due June 30, 1937 ..	20.00	20.00
Total amount due	$60.35	$60.42

*$1,000 bond, interest payable Dec. 14.

City of Windsor
Defaulted Feb. 1, 1933

	*5% Bond	*6% Bond
Accr. int., Dec. 31, 1935 ..	$171.00	$205.00
52% settlement	89.00	106.50
Less: Paid in 1935	30.00	30.00
To be paid on arrears ...	59.00	76.50
Add: 1936 interest	32.50	32.50
Int. due June 30, 1937 ..	16.25	16.25
Total amount due	$107.75	$125.25

*$1,000 bond, interest payable Feb. 1 and Aug. 1.

City of East Windsor
Defaulted Oct. 1, 1931

	*5% Bond	*6% Bond
Accr. int., Dec. 31, 1935 ..	$237.00	$285.00
To be paid on arrears	118.75	142.50
Add: 1936 interest	20.00	20.00
Int. due June 30, 1937 ..	10.00	10.00
Total amount due	$148.75	$172.50

*$1,000 bond, interest payable April 1 and Oct. 1.

Town of Sandwich
Defaulted March 1, 1932

	*5% Bond	*6% Bond
Accr. int., Dec. 31, 1935 ..	$216.67	$260.00
To be paid on arrears ...	▲26.00	▲31.20
Add: 1936 interest	15.00	15.00
Int. due June 30, 1937 ..	7.50	7.50
	$48.50	$53.70

*$1,000 bond, interest payable March 1 and Sept. 1. ▲Subject to successful outcome of suit against Imperial Bank of Canada for return of funds seized for payment of bank loan.

Hunt's Sales Gain 32.2%

Hunt's Ltd., Toronto confectionery and restaurant chain, reports sales of $315,234 for the first 12 weeks of 1937 as compared with $238,430 in the corresponding period of 1936, an increase of $76,804, or 32.2%. H. W. Hunt, president, points out that the Easter period was included in the 1937 period but not in the 1936.

Net profit for the 12 weeks of 1937, before depreciation, was $10,443, contrasting with a net loss of $10,110 for the comparable 1936 period.

Mr. Hunt states that "the increase in business has been spread over all branches of our business with a very large increase in our candy department."

Toronto Exchange Seats At $80,000, Up $12,000

Two seats on the Toronto Stock Exchange have been sold at $80,000 each. The last previous transaction was at $68,000.

When the two seats become active, there will be 109 active out of a total of 113 memberships on the Exchange.

New Brunswick After Pulp Mills

From Our Own Correspondent

MONTREAL.—New Brunswick apparently intends to take advantage of the improved market for sulphite pulp by bringing about greater exploitation of timber resources. For some time the Provincial Government has been pressing Fraser Companies to establish a mill on the Miramichi River. It now develops that the New Brunswick International Paper Co., operators of the Dalhousie newsprint mill, is also considering construction of a sulphite pulp mill in the same area.

Beauharnois Case Deferred in Court

Appeal Judge Withdraws —Case Awaits Court Rearrangement

The Beauharnois-Ontario Hydro lawsuit over cancellation of power contracts has been deferred pending rearrangement of the Ontario Court of Appeal. When the case came up for the appeal hearing this week, Chief Justice Latchford stated he disqualified himself from hearing the appeal which therefore stands for a new court to be arranged.

On Jan. 13, 1937, Beauharnois Light, Heat & Power Co. was awarded judgment with damages of $573,750 against the Hydro-Electric Power Commission of Ontario in connection with cancellation of its power contract.

The judgment in the company's favor was given in High Court and was based on a three to two decision in the Court of Appeal in connection with the Ottawa Valley Power Co. lawsuit.

Explains Position

Mr. Justice Latchford was one of the two dissenting judges in the Ottawa Valley appeal decision. In explaining his position in connection with the Beauharnois appeal, which rests largely upon the Power Commission Act of Ontario, he stated:

"I think I may state here my position in regard to a question that I find will arise during the argument of the appeal. The construction of the subsection mentioned was before this court otherwise constituted in 1936. The court divided sharply as to the construction proper to be placed on this enactment, three of my esteemed associates holding one view and my Brother Riddell the same opinion as I did. As the three constituted a majority, the result is that their decision is the judgment of the Court.

"Had this been a mere matter of inference from conflicting facts or legal opinion, I should feel myself bound; but on a mere question of the construction proper to be attributed to the subsection of the statute, I wish it to be clearly understood that I cannot even now subject the conviction which I expressed in my considered judgment to the contrary stated by my Brothers Middleton, Masten and Fisher. I still think my construction was right. I also think the construction arrived at by the majority of the Court was wrong. I adhere strongly to my former position and I cannot think otherwise. I therefore hope it will be generally realized that I have disqualified myself from sitting upon this appeal."

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Investment Trends

Stocks Still in Favor For Recovery Period

Further Economic Improvement Basis For Holding Common Shares; Characteristics of Inflationary Period

Current position of markets for industrial shares is discussed in an article on page 1.

Significant of the underlying economic background for equity investments it is understood that one of the larger life insurance companies, which has not made a practice of buying common stocks, is paying closer attention to them with a view to possible purchases.

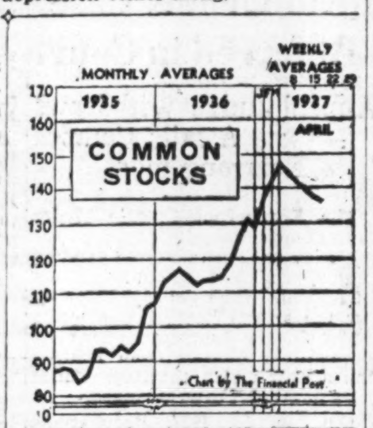
An opinion on the possible extent of further economic recovery, so important to improvement in common share investments, is that the forces which have brought things to the present advanced stage of revival are cumulative in effect. It is suggested that the forces of recovery will continue to operate for some time, probably until midway through 1938.

In considering suggestions that the U. S. Government wishes to keep the boom it started under control, it may be pertinent that efforts at control are characteristic of inflationary periods. When prices look to be getting out of hand, controls can halt the trend but are usually unpopular. Then comes resumption of the inflationary trend. And so on.

For the individual investor, the important things in the recent decline of industrial stocks—whether it lasts another two weeks or for two or three months—are that the trend appears to be temporary. It is difficult, and perhaps impossible, for the ordinary investor to get in and out of stocks with each swing of prices. The investor should be satisfied if he can obtain the profit in the major, long-term upswing of prosperity and then consolidate it before the next depression comes along.

Bond Influence

Recent weakness in United States and Canadian bond markets is being likened to similar developments in 1927 and 1928. The suggestion is that inevitably stock markets will follow a downward trend of bonds within a few months.



One commentator, however, points out that weakness in bonds in 1927 was followed by nearly two years of rising stock prices.

It is hard to tell whether bond prices are definitely on the down grade yet, or whether they are merely readjusting themselves around the top of the rise of recent years. Economic history seems to indicate that if bonds are definitely on the down grade then stocks may be expected to start down in a year or two. In view of the fact, however, that the long deferred rebuilding to replace goods depreciated during the depression has hardly started, it does not appear reasonable to expect another major depression right away.

Estimated Earnings

The success of the recent offering of shares of Lake Sulphite Pulp Co. is of more than passing significance for the investor. It reflects the return of public confidence in pulp and paper shares. It may also mark the beginning of corporation borrowing for new construction which will absorb investment funds, thus contributing to raising interest rates and lower bond prices.

The chances appear to be that the new venture will do well from higher prices for bleached sulphite pulp based on increased demand. However, it is difficult to appraise the future for the shares until earnings are established on an actual operating basis which will take some time.

If prosperity brings offerings of securities in less promising ventures, based on estimated earnings, the investor will do well to keep in mind that there is a higher risk factor in new ventures than in established enterprises.

Investment Notes

Asbestos Corp.—An unconfirmed report is that the company plans to offer shareholders 12,000 shares at $80, the proceeds to be used in retiring the present funded debt. The balance will be raised through a new short-term bond issue of about $1.2 million.

• • •

Mersey Paper — It is anticipated that Mersey Paper will be in the market before very long with its first mortgage bonds. When the company was organized in 1928 arrangements were made to issue $5 millions of first mortgage bonds, but the financing was held up owing to the breakdown in the financial market. Since that time the bonds have been hypothecated with the banks against loans. Throughout the depression the interest on the first mortgage bonds was covered comfortably even after depreciation allowance.

• • •

Canadian Hydro — Complete report of this company for 1936 shows earnings on the first preferred stock of just over $10 a share as compared with dividend requirements of $6 a share. However, there is no indication of a resumption of dividends in the near future, as the company is faced with the prospect of taking care of the 1941 maturity of about $14.8 millions of 6% debentures of Gatineau Power Co. It is understood the management is working on various plans, but so far no details are available.

• • •

Great Lakes Paper—With arrears of $3 a share, an annual cumulative dividend rate of $2 a share, and equal participation with the common, the class A preferred seems to deserve its market rating over $20 a share higher than the common. While payments on the preferred are not imminent, they are much nearer than common dividends.

• • •

Simpsons Ltd.—The preferred dividend of $1.25 a share payable May 1 to shareholders of record April 24 may apply to either the old 6½% shares or the new 5% preferred. The plan to cancel arrears of dividends was approved by shareholders recently but is not effective until approved by the court. This approval would make the May 1 dividend applicable to the new shares on which there will be no arrears. In view of the 5% return on the preferred, opinion seems to favor retention of the ½ share class A and ½ share class B stock given as compensation for arrears. This gives the holder a gamble on possible future improvement.

Significant Gains

Statistics for the first two months of 1937 show significant gains compared with the corresponding months of 1936 and indicate that the upward trend of Canadian business is being well maintained.

INCREASE*
Gold shipments (oz.) ... 11.9%
Newsprint (tons) 25.1%
Steel Ingots (long tons) 19.3%
Autos and trucks (No.) . 47.9%
Electric Power (k.w.h.) . 10.8%
Excess of Exports over Imports ($) 29.1%

*Increase in first two months of 1937, compared with first two months of 1936.

In the accompanying figures the gains recorded in output of newsprint, gold and power are especially noteworthy because production of those industries in 1936 reached a new high level for all time.

With business in Canada moving steadily forward, many corporations will experience an improvement in their financial positions during the current year; we shall be glad to furnish a list of investment recommendations upon request.

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What U. S. Plans for Gold

(Continued from page 1)

be able to confirm it even if it were true. I do not know whether it is true or not.

The opinion expressed by this man was that the recent rumor of a reduction in the price of gold was deliberately circulated by certain groups close to the administration at Washington for two reasons. One reason was that it was appreciated that it would have a very sobering effect on stock and commodity markets, which were regarded as booming rather dangerously.

The second and more important reason was that treasury officials at Washington were somewhat alarmed by the increasing number of articles appearing in newspapers all over the world, forecasting an increase in the gold buying price of the United States treasury. The administration felt that it was being subjected to a rather insidious type of propaganda that was building up, in the minds of American people as well as of foreigners, the idea that a further increase in the price of gold was not only desirable but inevitable.

So it was decided to try a little counter-propaganda to kill off the rumors of an increase in the price of gold and make the gold-producing nations delighted to have the present price continued without increase.

That may be merely a tall story but it fits into the general picture rather admirably and so I pass it on.

So much for rumor. Now for some facts.

Revaluation Aims

It is not necessary to detail for the benefit of Canadians the events that led up, first to the revaluation of the American dollar and then to the establishment of the policy of the United States treasury of buying gold from all comers at the fixed price of $35 an ounce.

The revaluation of the dollar was undertaken for reasons of domestic policy and as a measure of economic control. Its primary and fundamental purpose was to produce a rise in commodity prices that would stimulate business and lighten the burden of private and public debts.

It was undertaken against the advice of most orthodox financiers and economists. Certainly its long-term implications and the probable repercussions in an international way were given little consideration. Had the matter been "thought through," the Government would never have devalued the dollar to the extent it did, not at least in one fell swoop. It would have provided for greater elasticity in devaluation possibilities.

The gold buying policy was a natural corollary of the revaluation of the dollar. It had the effect of putting the United States dollar back on the gold standard in international exchanges.

In short, instead of feeling its way to a new parity for the dollar with the idea of ultimately revaluing the dollar to match whatever new economic level was attained in the days of recovery, the United States fixed a new value for the dollar in terms of gold—and then hoped that its economy would adjust itself to the new value so arbitrarily elected and fixed.

Domestic Results

That was the philosophy of revaluation. So far as domestic consequences are concerned, the important point is that the magic supposed to exist in a revalued dollar has proven less potent than anticipated. The domestic price level has not yet adjusted itself to the 59-cent dollar. What is more, the administration does not want it to do that—not in the immediate future.

Whether or not it will do so ultimately is beside the point at the moment, because the administration has found that there can be as much political dynamite in prices that are rising too rapidly as in prices that are falling too rapidly. All present measures of control at Washington are directed toward holding back price inflation.

I do not believe that the administration at Washington would for one minute consider either increasing the gold content of the dollar or lowering its bid price for gold, simply for the immediate and primary purpose of holding the domestic price inflation in check. It has been suggested in many dispatches from Washington that such is the basis of the rumors about a change in the price of gold. Some such idea may be in the minds of certain authorities here but it is difficult to believe that the President would agree to such a policy and it is inconceivable that Congress would permit it.

Representatives of the farm states are sold on the idea that the revalued dollar is necessary to help the farmers obtain higher prices for their commodities in domestic and foreign markets. They are convinced that it would be political suicide to tamper with the dollar or the gold price now.

It is true that the United States farmer is at the moment getting the better of the deal in the price equation. The index of farm prices has crossed the index of general commodities. But it is not anticipated that this will continue much beyond the fall months. Washington fully expects that, in consequence of higher industrial costs resulting from strikes, shorter hours, and increased wages, the index of farm prices will, by winter, be below the index of prices of the things the farmer buys.

Then the farmer will again become vocal in his demands for higher prices for his production. The administration at this moment simply cannot afford to do anything that will hit the farmers' buying power, now restored after many long, lean years.

International Aspects

If it is not in the immediate territory of the domestic economy of the United States that the "gold scare" has had its beginnings, what then is the basis for the present discussions of an abandonment of gold buying by the Treasury?

The answer lies in the international position.

The gold buying policy has produced results and complications that were not foreseen or even considered by those originally responsible for the policy.

These results are regarded by certain groups in the administration as exceedingly unhappy. They are regarded by other groups as a monumental achievement, as a notable contribution by the United States to world recovery and world peace.

The view that is shared by both of these groups is that the gold buying policy of the United States—combined with certain other policies—has carried the world toward economic stability.

"The United States has underwritten world recovery. By buying gold at a fixed price, in excess of its reasonable value as a commodity, the United States has subsidized the world to the extent of billions of dollars," is the way one of the chief monetary generals put it to me.

The United States has a stock of gold in excess of $11.5 billions. It has bought more than a third of this at $35 an ounce since the price was fixed. It has bought about $1.5 billion of it within the past year. Gold continues to flow into the United States at about that rate.

Any country in the world that produces gold or can dig it out of hoarding can ship it to the United States and be certain of getting $35 an ounce for it from the United States treasury.

Uses For Gold

What does the United States do with it? At first the gold went into the monetary foundation upon which the currency and credit structure of the United States is and could be built. Every time the Government bought a million dollars of gold it broadened that structure. Thus there was being laid a foundation upon which could be erected a structure of currency and credit inflation capable of breaking through the roof of the world. The situation was menacing.

This led in time to a change of policy. Now gold imports are "sterilized," and the effect of previous imports has been offset by increasing the reserve requirements of the banks. The gold no longer gets into the credit base of the country. By various technical manoeuvres, the United States buys the gold and then puts it where it can do neither good nor harm to anyone.

It is the same as if Canada supported the wheat market by buying wheat at a fixed price all over the world and putting the wheat in elevators where no one could get at it. Canada would be out the interest on the money used to buy the wheat, and it would be out the cost of carrying it. The United States loses the interest on the money it takes to buy the gold and it loses the cost of carrying it, the latter being an inconsequential item in the case of gold.

Who gets the money that the United States pays for gold? It goes to the nations that sell it. It creates foreign balances in the United States and these balances are available for use by private citizens in the countries who ship the gold in the same manner that any other balance arising out of foreign exchange operations is available. It can be used to buy securities; to buy commodities; to buy services in the United States. It can be allowed to accumulate in the banks where it can be drawn on when needed.

Now here is where the rub comes.

The United States is paying a $35 price for the gold. But because the prices of commodities and securities and services have not adjusted themselves to the revaluation of the dollar, the foreign countries which sell the gold are able to buy these securities and commodities and services at a discount. That is what Washington means when it says it is subsidizing every gold producing country and underwriting world recovery.

Exchange Deals

There are other aspects to the question. The existence of the fixed buying price for gold enables the exchange stabilization agreements to operate. It provides the world trader and the world speculator with reasonably stabilized exchanges. A group in England with $10 millions for speculation can get a free ride out of exchange stabilization. It can send $10 millions to the United States. (It will not ship gold but the gold will follow in the natural course of events and will have to be bought and "sterilized" by the United States treasury.)

With the $10 millions it can buy securities at depressed values, it can buy raw materials or manufactured products at recent and present low prices; it can buy travel accommodation or shipping services from the United States in terms of prices that have not yet reflected in full the revaluation of the dollar.

The profits made on the capital appreciation of the securities bought will not pay taxes to the United States treasury. If the United States citizen buys his own securities and if those securities rise in value, he is taxed on the profits. There is no feasible way of taxing capital profits of non-residents. The United States puts a tax on interest or dividends received and there are serious discussions as to the possibility of increasing that tax. But it is admitted that, even then, the capital profit would be exempt.

Washington argues these profits are the result of Government spending which shows up in the tax bills of United States citizens. Eventually, if the foreigner takes his profits, he can, because of the stabilization of exchange, take his money out of the United States without loss.

It is not surprising, then, that the monetary school in Washington that is headed up by Marriner S. Eccles, chairman of the Federal Reserve Board, feels that the United States is playing the rôle of the biggest international sucker in history, by letting non-residents exchange their gold at a high price for securities, commodities and services at undervalued prices.

No Demand For Change

But right here it must be emphasized that while Mr. Eccles and those who think as he thinks are at pains to point out these facts to the President, they do not necessarily demand that the policy be changed at once. They distinguish between what is academically desirable and what is politically practicable. They feel that so long as the administration, so long as the American people know what is happening and are quite prepared to have it continue to happen, they are content to let it go on. They will attempt to adjust their policies to meet the problems that are thus created.

They would like to see some restrictions placed upon the flow of this "hot money" — speculative money—that is coming into American security markets, but if the restrictions can take some form other than an abandonment of the gold price that, too, will be satisfactory to them.

Apart from the fact that the United States is selling its wealth at less than what they regard as its real value, they are concerned about the possible consequences of the crisis or state of nervousness that might lead to the sudden withdrawal of any large amount of this hot money on short notice, which possible consequences include demoralization of security and commodity markets in the United States.

Canada has been one of the chief beneficiaries of the American gold policy. If the United States has been subsidizing the gold producing nations, Canada has enjoyed many tens of millions of dollars of benefit from that subsidy. South Africa has enjoyed an even greater benefit. Australia has shared the advantages.

To the extent that the British Empire has been the chief beneficiary of the gold policy there is not much disposition, even on the part of treasury and Federal Reserve authorities at Washington, to regret what it has cost. Washington regards the British Empire and the United States as having common objectives for world peace, to be attained through economic stability. What helps the British Dominions helps the United States over the long term, it is freely admitted.

Russia Benefitted

But next to the British Empire the chief gold producing area is the Soviet Union, which has advanced its annual gold production at an amazing speed, and last year produced seven million ounces of the world's total production of 35 million ounces.

In 1929, Russia produced only one million ounces of gold. In 1931 it produced only 1.7 million ounces of gold. Last year's production of 7.4 million ounces set a new high, and an alarmingly high, record.

Washington gets some semi-official reports that indicate that in 1938 Russia's production of gold may exceed that of all British countries put together.

Washington does not look upon Russia as it looks upon the British Empire. Washington is reasonably happy about helping to underwrite British Empire recovery. But Washington wonders if the United States is not a little quixotic and short-sighted to continue a gold policy that is also financing the communist experiment in Russia. Russia's seven million ounces of gold was worth in 1936, just $100 millions more than it would have been worth at the former price for gold.

There, in non-technical language—and considerably over-simplified—is the whole argument for the abandonment by the treasury of its policy of buying gold from all comers at a fixed price, or alternatively for a reduction in the bid price for gold that would have the effect of making the United States treasury a less attractive market for the metal.

Foreign Office Influence

If that were the whole of the story—and at the moment the gold share markets of the world seem to feel that it is the whole story—it would be a very unsatisfactory picture for Canada and for Canadian gold mine investors and speculators.

But it is not the whole story. We come back to the fact previously emphasized that there are several different points of view at Washington; there are several different groups pressing their views upon the President. There is the Congressional view that was mentioned before and that is strongly opposed to any change in present policy.

Even more important is the view of the "foreign office"— the State department, headed up by one of the most far-seeing and constructive statesmen living today, Hon. Cordell Hull.

It is of the utmost significance that after four years of being the neglected member of the Roosevelt Cabinet, of being something of a voice crying in a wilderness of economic nationalism and concentration upon domestic affairs, Mr. Hull is emerging as a dominant factor in United States policies.

If anyone has the ear of the President today more than anyone else it is Mr. Hull. He and Mr. Roosevelt share a dream of world peace through economic measures. Mr. Hull—because of a well-conceived, thoroughly developed long-term conviction—and Mr. Roosevelt—because he now has great confidence in Mr. Hull's programme—are definitely and firmly opposed to any action that will hamper the present steady, if slow, advance to world economic stability and world peace.

It is no secret that Mr. Hull was appalled by the consequences of the recent rumors about a possible cut in the price of gold. It was to him a convincing demonstration of the potency of American economic influence for peace, that the slightest rumor of a change in the treasury's gold policies should have had immediate and far-reaching repercussions in every bank, every security exchange, every commodity market, every counting house in the world. It proved to him that the United States gold policy was indeed a factor for stability in the world; that any indecision as to that and other policies might set in motion forces that would speed the arrival of that economic chaos which must be circumvented if the world is to be kept from war.

Hull Stand

Thus is it beyond a question of doubt that the influence of Mr. Hull will be brought strongly against any measure calculated to disturb the status quo. There is good reason to believe that Mr. Hull has made his views plainly known to the President during these last two weeks of the gold scare and that the President has been very much impressed by them.

Mr. Hull fully realizes that the United States has been underwriting world recovery, but Mr. Hull, if he expressed his opinion publicly, would probably say that it has been worth the price and that it will continue to be worth the price for the United States to carry on.

A great programme of international strategy to preserve the peace is being worked out on the checkerboard of the nations. The master minds are those of Mr. Hull and the statesmen of the British Empire. The forthcoming British Imperial Conference at London should advance the programme further. The recent visits of Mr. King and Lord Tweedsmuir to Washington, the participation of Norman H. Davis, America's unofficial ambassador-at-large, in the sugar conference in London; and the forthcoming visit of Premier Van Zeelandt of Belgium to Washington are all part of the picture.

The United States, I am convinced after my conversation in Washington, will not rock the international boat at this time. Having helped so greatly in advancing the world toward its objective of economic peace, with the whole issue between war and peace resting upon moves that are now being developed behind the scenes, it is inconceivable that even questions of domestic policy will be permitted at this time, or while there is yet hope for peace, to interfere with world recovery.

That is the real reason why the odds so strongly favor a continuation of the treasury's present gold policy.

One point remains to be added. The United States, even its "foreign office," feels that it has not had the measure of co-operation in its gold sterilization programme that it is entitled to expect from the other countries in a position to carry a part of the load, countries that also are benefitting from the programme. Washington feels that if it is necessary to sterilize the new gold production of the world in order that it may not produce a world inflation that would lead to ultimate disaster, then Great Britain and the Dominions should also be helping with the sterilization process; should also be buying gold and taking it out of general circulation instead of dumping it all on Washington. That strong representations along this line have already been made by Washington to the Empire countries seems likely.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	591.3	317.6	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	74.9	56.0	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	549.3	222.0	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	586.7	228.8	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	618.2	241.7	71.0	147.2
Weekly Figures, 1937:												
Apr. 1 ..	170.2	45.1	127.2	238.2	81.0	188.1	139.8	214.2	610.6	238.1	68.6	144.4
Apr. 8 ..	168.0	50.2	120.2	236.7	81.6	186.3	137.0	214.9	572.6	232.3	67.3	141.3
Apr. 15 ..	159.0	47.2	119.2	236.6	80.5	184.7	136.2	208.8	567.1	229.2	66.4	139.4

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Apr. 20	166.39	126.24	163.47
Apr. 19	168.60	127.47	165.24
Apr. 17	171.42	132.50	171.71
Apr. 16	172.76	136.37	174.74
Apr. 15	173.76	138.09	177.97
Apr. 14	175.26	136.73	180.02
Month ago ..	177.04	148.20	187.04
Year ago ...	133.65	130.66	136.97
High, 1937 .	187.67	163.59	215.36
Low, 1937 ..	163.39	119.32	157.02

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Apr. 20	78.8	106.9	97.5
Apr. 19	80.0	109.3	99.5
Apr. 17	80.1	112.3	101.7
Apr. 16	80.8	113.9	102.8
Apr. 15	81.0	114.1	103.1
Apr. 14	81.4	114.7	103.6
Month ago ..	86.3	115.8	105.0
Year ago	69.8	74.0	72.6
High, 1937 ..	92.5	122.2	109.5
Low, 1937 ...	78.8	106.9	97.5

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Company Reports

International Paper

Consolidated operations of International Paper Co. for 1936 resulted in net profit after all charges of about $5.2 millions, as compared with a deficit, on a corresponding basis, of $3.2 millions in 1935. Gross sales showed an increase of 18.4%, while costs and expenses were 11.3% higher than the year before.

Funded debt is shown on the consolidated balance sheet at the end of 1936 at $81 millions, a net increase of $12.9 millions as compared with the corresponding figure at the close of 1935. This increase in funded debt was more than offset by a reduction of $15.2 millions in short-term notes payable to banks. Only $674,000 of short-term bank debt was outstanding at the end of 1936, representing borrowings of Canadian and Newfoundland subsidiaries which were paid off during last February.

The amount due to International Paper and Power Co. increased about $700,000 during the year and now stands at over $6.7 millions. There was also an increase of about $500,000 in the outstanding underlying preferred and common stock.

Production of paper and pulp by the company's subsidiaries rose to 1.9 million tons during 1936, a new high record. For the previous year the company produced about 1.7 million tons. While the increases were general, the biggest advance was registered by kraft paper and board.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross revenue	17,249,755	9,108,449
Less: Bond interest ...	3,938,809	3,922,764
Other interest	514,936	1,019,224
Debt discount	420,324	364,839
Depreciation	4,878,458	5,057,505
Depletion	792,973	723,016
Income taxes	1,023,522	345,184
Profits tax	4,308	.....
Sub. dividends	12,330	12,415
Accrued dividends..	504,400	504,400
Net profit	5,159,695	*2,840,898
Add: Profit on bonds..	450,732	420,361
Less: Previous deficit	19,662,507	17,900,109
Net adjustments ...	12,811,834	658,139
Deficit forward	26,863,913	19,662,507

*Loss

Working Capital

	1936 $	1935 $
Current assets	47,374,939	43,898,879
Current liabilities	11,828,907	26,244,681
Working capital	35,546,032	17,654,198

Public Utility Earnings

Southern Canada Power

	1937 $	1936 $	Incr. $
March			
Gross earn. .	179,618	171,420	8,198
Oper. exps. .	73,169	74,428	†1,259
Net earn. ..	106,449	96,992	9,457
Int. dep. & divd.	107,657	106,876	781
Surplus	*1,208	*9,884	8,676
Six Months Ended March 31:			
Gross earn. .	1,136,036	1,080,505	55,531
Oper. exps. .	462,383	439,731	22,652
Net earn. .	673,653	640,774	6,445
Surplus	17,143	*9,091	26,234

†Decrease. *Deficit.

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Bond Markets

Bond Prices Advance Despite Dull Trading

Market Looks For Dominion of Canada Refunding Issue in the Near Future — Outlook For Municipal Defaults Improves

The stock and bond markets have reversed positions. During the first three months of the year prices of high-grade bonds declined while prices of stocks advanced. Now the bond market is regaining some of its lost ground while the stock market is losing ground gained in the first three months.

The gilt-edged market has developed considerable strength, high-grade government bonds recording advances. For the first time in over a month The Financial Post index has advanced above 113. Volume of trading is small in the face of a scarcity of offerings.

In view of the strength shown by the market recently investment men look for a Dominion of Canada refunding issue in the near future.

The Dominion has a $236 millions issue due on Dec. 1 next. Expectations are that refunding of the maturity will be done in two pieces. Since the issue bears a 5½% tax free coupon it is possible that the Dominion will endeavor to save one coupon on a large block of the issue by making a conversion offer prior to June 1, which is the next interest date. The refunding issue will probably be divided between medium and long-term bonds.

A large issue at the present time would probably result in a revival of trading. While the immediate effect would be to depress prices it could quite easily carry the market to higher levels in the long run.

At the present time the market is in a healthy position since its undigested position has been corrected.

Municipal Defaults

Prospects for settlement in the near future on refunding plans for a number of Ontario municipalities which are in default are brighter now that agreement has been reached on the Windsor refinancing.

It is generally conceded that the dispute over the refinancing proposal for Windsor has held up refunding plans for a number of municipalities. Bondholders' representatives and the Department of Municipal Affairs have both wanted the Windsor situation settled before undertaking other adjustments.

Now that agreement has been reached, however, no time should be lost in adjusting the defaults of a number of other municipalities, such as the Toronto suburban municipalities, Niagara Falls, Sudbury, Leamington, Fort Erie and others. In some instances refunding plans are long overdue and the delay is proving costly to some municipalities. For instance, Niagara Falls and Sudbury, which are in default on principal only, have accumulated cash reserves against defaulted principal. Interest on the defaulted principal is being paid at the full coupon rate, usually around 5%, while the accumulated cash in the banks is drawing only 1½% interest.

Because of its judgment which proposed drastic revisions in the refinancing plan submitted to it, the Ontario Municipal Board is partly responsible for the situation that has existed in recent months. In view of this, Eric Cross, chairman of the municipal board, is to be commended for the part he played in bringing the city and the bondholders' protective committee together and negotiating a compromise agreement.

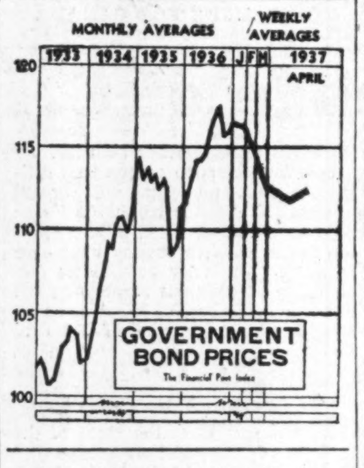
Croll's Resignation

Another favorable factor in the outlook for adjustment of municipal defaults in Ontario is the retirement of the Hon. David Croll from the position of Minister of Welfare and Municipal Affairs in the Ontario Cabinet.

It is one of those curious coincidences, which happen now and again, that Mr. Croll, because of disagreement over the Government's policy on the Oshawa strike, resigned his portfolio on the same day as settlement was reached on the Windsor refinancing dispute.

To a very large extent Mr. Croll has been responsible for the deadlock which has existed between bondholders and the city. Not only is he credited with having been responsible for the adverse decision of the Ontario Municipal Board in December last, but he has, in fact, been regarded as the main obstacle in the way of adjustment of a number of municipal defaults. The Department of Municipal Affairs under his jurisdiction on numerous occasions disregarded the rights and interests of investors holding bonds of defaulted municipalities.

To a large extent the settlement arrived at is the same as the compromise offered the city by bondholders following rejection of the decision of the Ontario Municipal Board. At that time the city authorities indicated that they would accept the bondholders' offer, but finally rejected it. Rejection of the compromise at that time, it is stated, was due to interference on the part of the Department of Municipal Affairs, which was headed by Mr. Croll.



Bond Financing

Bond financing in Canada in the present year will probably show a sharp drop from the level attained last year due to a smaller amount of corporation refunding.

The amount of bond financing last year was abnormal because of the large number of corporations that took advantage of favorable market conditions to refund their bonds at a lower rate of interest. Indications are, however, that this type of financing has dried up. There are still a number of companies which would like to carry out refunding operations, but the decline in bond prices during the first three months of the year has made conditions unfavorable. In most cases the resultant saving at the present time would not be sufficient to warrant a refunding operation.

While corporation refunding will be lower, government financing will be considerably larger in volume. The amount of new funds required by governments is not as large as last year, the amount of maturities to be refunded being about $200 millions higher.

Market Notes

Trading in western provincial bonds continues quiet. Alberta issues have eased off from one to two points, while British Columbia and Manitoba issues have remained practically unchanged. A tendency to softness has been evident in the Saskatchewan list.

Interest in speculative corporation issues has waned for the moment as a result of the decline in the stock market. Newsprint issues have eased off several points as have Beauharnois 5's. Canada Steamship 6's have declined to 71.

The trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Apr. 20	113.28	3.137	Apr. 20	114.41	3.311
Apr. 19	112.32	3.434	Apr. 18	114.41	3.311
Apr. 17	112.14	3.447	Apr. 17	114.41	3.311
Apr. 16	112.14	3.447	Apr. 16	114.45	3.307
Apr. 15	111.86	3.479	Apr. 15	114.23	3.324
Apr. 14	111.86	3.479	Apr. 14	114.15	3.331
Year's	116.81	3.026	Year's	117.91	2.966
Range	111 60	3.505	Range	111.50	3.597

Third Canadian Investment Shows Increased Assets

Net income, after expenses, reported by Third Canadian General Investment Trust for 1936, was $83,596 as compared with $64,313 for 1935. Deduction of income tax provision of $3,119, for 1936, left a net profit of $80,478, equivalent to 12 cents a share.

Net profits of $82,533 were realized from investments sold, and added to capital distributable account brought this item to $502,930 at Dec. 31, 1936.

Investments had a book value of $1,226,985 at Dec. 31, 1936. Of this amount marketable securities had a quoted value of $2,214,384 and other securities for which no quoted value was available amounted to $74,955. Thus there was an excess of market value over book value of $956,920.

Net value of the company's assets was $2,199,606 at Dec. 31, 1936, compared with $1,618,372 at the end of 1935, an increase of $581,234 during the year. On a per share basis, net liquidating value was $3.37 at Dec. 31, 1936, compared with $2.49 at Dec. 31, 1935, and $1.90 at the end of 1934.

Canadian Investments

On the basis of market values, 88.5% of the company's funds is invested in Canada. Number of securities held was 140 at Dec. 31, 1936.

An annual dividend of nine cents a share has been declared out of 1936 earnings, payable May 15 to shareholders of record April 30. This compares with an eight-cent dividend paid for 1935.

Results obtained in the first quarter of 1937 by Third Canadian General Investment Trust show a net asset value of $3.57 a share which compares with $3.37 a share at Dec. 31, 1936. This represents an increase of 34.71% over March 31, 1936. results.

Net earnings for the three months ended March 31, were $20,137 against $15,313 for the corresponding period of 1936, an increase of $4.824. Profit realized on investments in the 1937 period amounted to $51,524 and compares with $25,490 for the 1936 quarter.

Can. Investment Fund Pays Larger Dividend

From Our Own Correspondent

MONTREAL.—Canadian Investment Fund has declared a dividend of four cents a share on the special and ordinary shares of the company, payable May 1, 1937 to shareholders of record Apr. 15, 1937. This dividend together with the amount paid Feb. 1, 1937, makes a total of 10 cents a share declared for the first two quarterly payments in 1937, as compared with a total of eight cents a share for the corresponding period of 1936.

Plan to Reopen Quebec Pulp Mill

From Our Own Correspondent

MONTREAL.—Plans are now under consideration for the reopening of the Quebec Pulp and Paper Corp. groundwood pulp mill at Chicoutimi. Inoperative since Oct., 1930, a considerable sum of money will have to be spent on putting the plant into operating condition. The company has sufficient liquid resources on hand to do this, provided the Provincial Government does not press its claim for money owing, a step which it is not likely to do in the event that the plant is reopened.

Hiram Walker Earnings Rise

Company Acquires Control of Canadian Industrial Alcohol

Earnings for the first six months of the current fiscal year of Hiram Walker-Gooderham & Worts have increased from $3.17 a share on the common stock to $4.59 a share. At the same time that this growth in earnings was announced, Walkers reported that it had acquired a large block of shares of Canadian Industrial Alcohol Co.

This stock formed part of the estate of the late Sir Mortimer Davis, former president of Canadian Industrial Alcohol. The announcement carried no intimation of the price paid for the stock but it is reported to have been $8 a share.

Working control of Canadian Industrial Alcohol was held by Sir Mortimer Davis and it is assumed that this purchase will give Walkers effective control.

The exact number of shares obtained from the Davis estate is not known but it is believed to be less than 400,000. Stock held by Mrs. Eric Loder, who was formerly Lady Davis and is a director of Canadian Industrial Alcohol, is also understood to have been sold and these shares may have been acquired by Walkers. Although no statement has been made of a subsequent offer to other shareholders of Canadian Industrial Alcohol, this is a possibility which may develop in the near future.

As a result of the change in control, it is likely that the policy of the two companies will be unified as to production and marketing in Canada as well as in the United States.

More Walkers' Stock Issued

Conversion of an additional $26,800 of Walkers' debentures since Feb., 1937, is indicated by an announcement from the Toronto Stock Exchange that a total of 62,900 shares have now been issued as a result of conversion. Outstanding capitalization is now 722,900 shares as compared with 722,304 shares at Feb. 28, 1937.

Earnings Increase

For the three months ended Feb. 28, 1937, Hiram Walker-Gooderham & Worts reports net income available for common shareholders equivalent to $2.14 a share as compared with $1.52 a share for the corresponding period of 1936. The earnings for the 1937 period are based on 722,304 common shares while those for the 1936 period are based on 660,000 shares.

For the first half of the current fiscal year Walkers has earned $4.59 a share on the common stock against $3.17 a share for the 1936 period.

Quarterly Earnings
Three Months Ended

	Feb. 28 1937 $	Feb. 29 1936 $
Operating profit	2,137,712	1,458,673
Add: Other income	129,431	90,543
Total income	2,267,143	1,549,216
Less: Depreciation	161,418	150,585
Deb. int.	77,330	63,222
Bank interest	30,294	27,342
Prov. for tax	339,523	189,405
Net profit	1,658,578	1,118,662
Less: Dividends	115,205	115,204
Bal. avail. for common	1,543,373	1,003,458

Note:—No provision has been made for the quarter ended Feb. 28, 1937, in respect of surtax on undistributed profits imposed by the United States Revenue Act of 1936.

When or if dividends are paid to the parent company out of the accumulated surpluses of subsidiaries in the United States, such dividends will be subject to the income tax laws in force at the time of distribution. On the basis of the income tax rates now in force the taxes on the distribution of the net earnings for the quarter ended Feb. 28, 1937, would be approximately $74,000 for which no provision has been made because these taxes may never be incurred.

Quebec Power Revenue Up for First Quarter

Quebec Power Co.'s consolidated gross revenue in the first quarter of 1937 amounted to $984,680. This contrasts with $950,879 for the same period last year. Owing to an increase in operations, taxes and other expenses, and the setting up of $12,262 for the amortization of bond discount, surplus for depreciation and income tax amounted to $254,926, as against $265,108 a year ago.

3 Months Ended Mar. 31

	1937 $	1936 $
Gross revenue	984,680	950,879
Less: Expenses	564,965	531,842
Exchange on interest	394	1,797
Fixed charges	164,395	152,132
Surplus*	254,926	265,108

*Before depreciation and income tax.

New Waterford, N.S., has struck its 1937 tax rate at 70 mills, an increase of five mills over the 1936 levy.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can. Paper, A	6%	1945	June 4	103½
Avon River Pr. D.	5%	1964	July 1	103
Randolph Hotel	*6½%	1947	May 1	105
Connors Bros.	6½%	1938	May 1	105
Can. Steamships	5%	1943	Aug. 15	105
Mar. T & T. A	5%	1956	July 1	104
Simpson, Robt.	5%	1952	July 1	105
Ames Holden Tire	†7%	1943	May 1	105
Gen. Stl. Wares A	6%	1952	May 1	104
Hinde & Dauch A	5½%	1948	May 1	102½
Nat'l. Util. Corp.▴	6%	1948	Apr. 27	...
Tor. Housing, A.	•5%	1953	May 25	105
H. Walker-G. & W. conv. debs.	§4½%	1945	June 1	104
Dredging Contractors	6½%	1947	May 1	103
Tooke Bros.	▪7%	1942	June 1	107

For sinking fund: *$9,000. †$17,700. •$37,000.

§$1,250,000; any of the debentures thus called may be converted into common stock of Hiram Walker-Gooderham & Worts Ltd. prior to June 1, 1937 at $45 per share.

▴Tenders called $11,500. ▪For sinking fund purposes.

Stock Issues:
Anglo-Can. Tele. 7% pref. May 1 55

Municipal Finances

Edmonton, Alta., reports that total relief costs for the first 11 weeks of 1937 amounted to $273,045, compared with $290,514 in the corresponding period last year. The city's share of the bill will be just under 50% or approximately $185,000.

Tax collections for the first three months of 1937 were $25,384 ahead of receipts for the same period of 1936. Total collection amounted to $1,209,480. Current property tax collections amounted to $958,079 against $947,783 last year. Collections of arrears of property tax were $235,765, compared with $226,659 last year.

Montreal Protestant School Board has been informed that it will have no difficulty in refunding its $1,750,000 of 6% bonds, which mature May 1, at a much lower rate of interest.

Stratford, Ont., reports a surplus of $3,104 on 1936 operations, compared with deficits in the two previous years.

Tax collections for the first quarter of 1937 are $19,962 ahead of the same period of 1936. Total collections to the end of March were $171,980, of which $120,012 are prepayment collections.

Brantford, Ont., reports that collections of arrears of taxes in the first quarter of 1937 amounted to $72,749, an increase of $7,649 over the amount collected in the first three months of 1936.

Calgary, Alta., reports that cash revenue from all sources in the first three months of 1937 totalled $1,130,009, compared with $1,263,178 in the same period of 1936.

Revenue from the tax department totalled $1,013,009, compared with $1,143,194 in the same period of 1936. Tax prepayments dropped from $900,000 in 1936 to $674,546 in 1937.

Regina, Sask., sinking fund at the end of 1936 totalled $7,505,180. Arrears of principal and interest due on defaulted debentures held by the fund, amount to $867,423. The city's own debentures held by the fund amount to $1.9 million.

C.S.L. TREASURER

Herbert A. Cresswell, who has been appointed treasurer of Canada Steamship Lines, succeeding J. I. Hobson, who has retired.

Sydney, N.S., has reduced its tax rate by two mills to 40 mills. At the same time it has cut the poll tax from $12 to $11 and reduced interest charges on overdue accounts from 6% to 5%. Furthermore the city has restored to civic employees their 10% wage cut. During the year the city will erect two new schools at a cost of $65,000 and spend $42,000 on street improvements.

Yarmouth, N.S., reports that collections of current taxes to March 31 last totalled $100,000 and collections of arrears $20,000.

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HUDSON Sixes and Eights 122 and 129-inch wheelbase 101 and 122 horsepower

$1075

Plus Government Tax $70, total $1145 for the Hudson 6 Business Coupe. $1139 plus tax $76, total $1215 for the Hudson 8. Prices are retail at factory, Tilbury, Ontario, including all standard equipment and safety glass. Freight, local taxes and license extra.

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TORONTO, APRIL 24, 1937

Premier Hepburn's Position

NEWSPAPER opinion throughout Canada and especially in Ontario is almost unanimous in according support to Premier Hepburn for his decisive stand in the Oshawa strike situation. Some editors aver he has taken his political life in his hands, but they are quick to recognize his courage and sincerity in hitting hard and fearlessly at what he feels to be the proper course for his Government and for the welfare of the province as a whole.

Premier Hepburn is noted for impetuosity and some of his statements and actions in the present industrial crisis in Ontario bear out this trait. These must not, however, cloud the main issues on which there is almost complete agreement, namely:

1. That law and order must be obeyed on Canadian soil.
2. That labor representatives who either themselves personally or the organizations they represent, have defied or broken the laws of other countries are not welcome in this country.
3. That any labor organizations which support or are supported by Communistic agitators, are equally unwelcome in this country.

These are the fundamentals of the Hepburn position and are views with which The Financial Post is in complete accord. Other considerations must not be allowed to cloud the main issues which are equally applicable to all parts of Canada as they are to Oshawa and Ontario.

Rising Building Costs

AFTER six years in the doldrums the Canadian construction industry at the beginning of this year was promised full size recovery. There was ample evidence of huge activity in every line. The country was short fully 65,000 houses worth approximately $250 millions over $125 millions in factories and similar large totals in business and engineering types of building. Now this potential construction is threatened by sharply rising costs. Residential buildings and improvements are particularly affected.

Retail lumber prices have advanced repeatedly, bringing today's levels fully 25 per cent above those of six months ago. Some lines of hardware have been stepped up even more sharply. Eavestroughing, plumbing supplies and anything in which metal forms the basic material have mounted, as well as the actual wages in the building trades. By March the Dominion Bureau of Statistics index of building materials costs had risen almost 16 per cent from a year ago, and later compilations will undoubtedly show further advances. Unquestionably much of the work being planned through the aid of the National Employment Commission's Home Improvement Plan will be abandoned if prices do not show some early appearance of stabilization.

It is freely admitted that some of the commodities participating in this sudden advance suffered first and most severely in the deflation which accompanied the depression. There was no profit in the lumber business during that period. There was little work for the bricklayer or the carpenter but six years' losses cannot be made good in as many months and if the present promised expansion in the construction industry is halted through excessive costs, these losses may never be made up. And any check to the construction industry will also be a check in Canada's economic recovery.

Banks and Western Canada

RECENTLY The Financial Post published a story indicating that the chartered banks hold very few western provincial bonds. It was stated that liquidation of these securities had begun four or five years ago, and that most of the banks had been practically clear for two or three years.

Apparently, the story has been given rather weird interpretations, none more so than that of the Moose Jaw Times-Herald. Reproducing the item in full, the Saskatchewan Journal goes on to explain:

> "In other words, because Alberta went 'haywire' politically, the banks were the first to take the 'jitters' and get-out-from-under, not only in respect to Alberta, but also in respect to Manitoba and Saskatchewan, which remained sound. In acting thus the banks showed the white feather and failed to support all those forces and influences in Saskatchewan and Manitoba which were fighting for soundness and stability. The banks left the field of battle when their support was most needed. When our credit reached a slippery place, due to no fault of ours, they greased the plank."

Just how the banks could be swayed by political developments more than three years before they occurred, is something which is not explained. Yet the banks began to sell western provincials in 1932 and Mr. Aberhart assumed office in the fall of 1935.

The time element is hazy, also, in respect to the charge that the banks "greased Saskatchewan's credit skids." According to The Post story, the banks were almost free of Saskatchewan's securities by the end of 1934. But Saskatchewan's credit was still sufficient to float an issue of debentures in the public market in 1935. If it had been known generally that the banks were liquidating westerns, the market might have been seriously affected. So far as we are aware, no one other than those immediately concerned knew anything about it until long after it was over.

To those at all conversant with the facts, the charge that the banks got the "jitters" and left the field of battle when they were most needed, is absurd. The main contribution the banks can offer a province is not simply to hold its securities, but to provide the essential banking service to its commerce and industry. It is to the bank's credit that they have continued to maintain a wide network of branches throughout the Prairie Provinces. A report submitted by the banks to the Jacoby Tax Commission last fall on Saskatchewan business indicated that not one of the banks had made a profit over the last ten years. In some instances, every rural branch in the province is being operated at a loss. Much the same would apply to Alberta and Manitoba.

The Moose Jaw newspaper evidently evolved a philosophy by which a bondholder is responsible for the credit standing of the issuing corporation or government. Few will deny the right of any individual or institution to avoid prospective losses. The banks are not philanthropic institutions. They are trustees whose first obligation is to their depositors. And that obligation extends to the 4.6 million depositors throughout all parts of the Dominion, for the banks must be national in their outlook.

In disposing of their holdings of western provincial securities, the banks were acting in what they believed to be the interests of their depositors. Subsequent events have justified their position. That they so acted is in no way a reflection on the future of Western Canada, as some have construed.

Few are more optimistic about the west than bankers. But their business is predicated on liquidity. Very few of their securities bear maturity dates more than ten years ahead. Almost half mature within five years. When the banks are convinced that immediate prospects in the west justify the investment of trustee funds they will once again become purchasers of its securities.

Labor's New Responsibilities

IT IS an interesting and important coincidence that just as Canada should be in the midst of her first major crisis involving the Committee for Industrial Organization, the Supreme Court of the United States should put its imprimatur on the famous Wagner National Industrial Relations Act and that Nova Scotia should give royal assent to what is, for Canada, the first major step to be taken by any province or government in Canada to recognize by legislation the right of employees to organize in trade unions and to bargain collectively.

It is maintained by many commentators regarding the dispute at Oshawa that no one is questioning the right of employees to bargain collectively. It is nevertheless true that both Canada and the United States have been relatively slow to give legal sanction to unionism and it is freely predicted that the new interpretation of employee representation which has been given constitutional blessing in the United States and which has made its appearance for the first time on Canadian statute books marks an important turning point in industrial relations—especially coming at this time when the most active union machine in a generation is attempting to ride roughshod across the continent.

It is generally recognized that, broadly speaking, there are three main steps in the customary demands of trade unions. They are: (1) the representation of members; (2) the representation of all workers whether in or out of the union; and (3) the closed shop. The Wagner Act in the United States specifically places the force of law behind the first two demands. Close observers of labor history hold to the view that the second step usually leads sooner or later to the third step—namely the closed shop.

The Wagner Act has, of course, been on the statute books of the United States since July, 1935, but since that time it has been challenged widely in the courts as unconstitutional, and only last week received an almost completely clean bill of health at the hands of the Supreme Court. Now that the law has been declared constitutionally sound there will apparently be strong demands that it be amended and improved in many particulars for there are many to criticize it in its present form as "partisan," "blind to unfair labor practices," "needlessly sacrificial of the employee goodwill" and "essentially undemocratic and unworkable in its provisions giving 'sole' bargaining rights to any majority of employees."

The Nova Scotia legislation which is described by Premier Angus L. Macdonald as "going further, probably, than any similar legislation in Canada and much more advanced than much of the labor legislation in the United States," makes it lawful for employees to form themselves into unions and to bargain collectively with employers. It also provides that employers must recognize and bargain collectively with unions. It would seem, therefore, to legalize in that province the first, but not the second and third steps outlined above for trade unionism. However, it makes an important advance in requiring trade unions to make annual returns to the provincial secretary in regard to union dues, receipts and expenditures, etc., and also legalizes the "check-off" in Canada for the first time.

With these new powers there comes to unions or other employee groups, important new responsibilities. The crux of the Oshawa situation, for example, is the bid for power in Canada by a trade union body which has been guilty of a vicious reign of lawlessness and intimidation in the United States.

As the Wall Street Journal stated recently:

> "If unionism is to hold the gains already made, let alone win the confidence of industry as a means of forming basically satisfactory relationships, it must accept responsibility not in the distant future, but now. Contracts between parties of unequal contracting power—that is, between a corporation which can be penalized for contract violation and a union which cannot—can never furnish a basis for such a relationship. It is up to labor to accept legal responsibility for its own action and for its ability to fulfill its agreements."

In the United States it is suggested that the time has now come to define and protect the rights of employers, thus completing a national industrial policy in that country for the first time. In both countries there must be general recognition on the part of labor that if it hopes to maintain and extend at law, the type of privilege it has received in Nova Scotia and at Washington, it must accept the responsibilities that attend these privileges.

Editorials in Brief

If C.I.O. in Canada is ready and anxious to spurn Communism, as it avers, why does it not throw overboard the Communist-sponsored Toronto Clarion? At the moment, these two seem to be as "thick as thieves."

• • •

President Roosevelt at Washington last week, extolled the blessings of peace, democracy and freedom from armament, at Pan-American Day exercises.

You didn't mention industrial peace, Mr. Roosevelt.

• • •

Croil Hunter, vice-president and general manager of Northwest Airlines, who visited Toronto last week to celebrate the fact that his company has operated 10 years with a record of 48,700,000 flying miles without a passenger fatality, was amazed at the lack of air contacts between central Ontario and the United States points.

• • •

"What has happened to Jack Hammell's carburetor?" asked a shareholder at the recent meeting of British American Oil shareholders, in reference to the Pogue "200-miles-to-the-gallon" device.

President A. L. Ellsworth replied, "There's a man on Church Street (Toronto) who, they say, foretells the future. I must refer you to him."

We presume Mr. Ellsworth did not refer to 56 Church Street, the head office of Imperial Oil Ltd.

• • •

Michigan has counted its auto strike losses and the bill is not far short of $400,000,000. This is the cost directly attributed to the recent series of tie-ups in the General Motors, Chrysler, Hudson and Reo plants in and around Detroit only. It does not include those very considerable losses among subsidiary and branch plants and agencies in other parts of United States. Here is the preliminary bill:

Cars not produced	$267,000,000
Feeder industries (finished parts, tires, etc.)	45,750,000
Wages	45,350,000
Drop in retail merchant sales in Detroit area	18,887,000
Sales and other tax losses—	
Federal	4,200,000
State	629,000
Relief	600,000
Extra policing	600,000
Property damage	250,000
	$383,066,000

Sayings of the Week

"I would rather die than sell the people of Alberta out to a financier."—*Premier Aberhart.*

• • •

"Every time Britain shows fear it invites another kick in the pants."—*Col. Josiah Wedgwood, M.P.*

• • •

"Politics is like a horse race. A good jockey must know how to fall with the least possible damage."—*Edouard Herriot.*

• • •

"Thank God we are different. That is why we are such very good friends."—*Lord Tweedsmuir on Anglo-American relations.*

• • •

"The fine old fortifying classical curriculum of Oxford and Cambridge has no place in Canadian education."—*Lord Tweedsmuir.*

• • •

"Our object must be to stabilize the very moderate prosperity we now enjoy and distribute it more freely."—*John Maynard Keynes.*

• • •

"Nearly all rights of property owners have been taken away by legislation." — *Mr. Justice T. M. Tweedie, Alberta Supreme Court.*

• • •

"The claim that the gold standard under present conditions clogs can be met with the simple rejoinder, let it clog."—*Stephen Leacock.*

• • •

"We will rid ourselves of Christian dogma and realize the mystery of the incarnation of the German people."—*General Erich Ludendorff.*

• • •

"You cannot graft communism or fascism to our system any more than you can graft a Siberian crabapple to an oak."—*Rt. Hon. Stanley Baldwin.*

• • •

"Let's show on sea and land that it is possible to make international agreements and maintain them in the interests of ourselves and the world."—*Sir Samuel Hoare.*

• • •

"Perhaps the most charitable thing we can say of him is that he is an honest politician who didn't understand the nature of his job."—*Major C. H. Douglas on Premier Aberhart.*

• • •

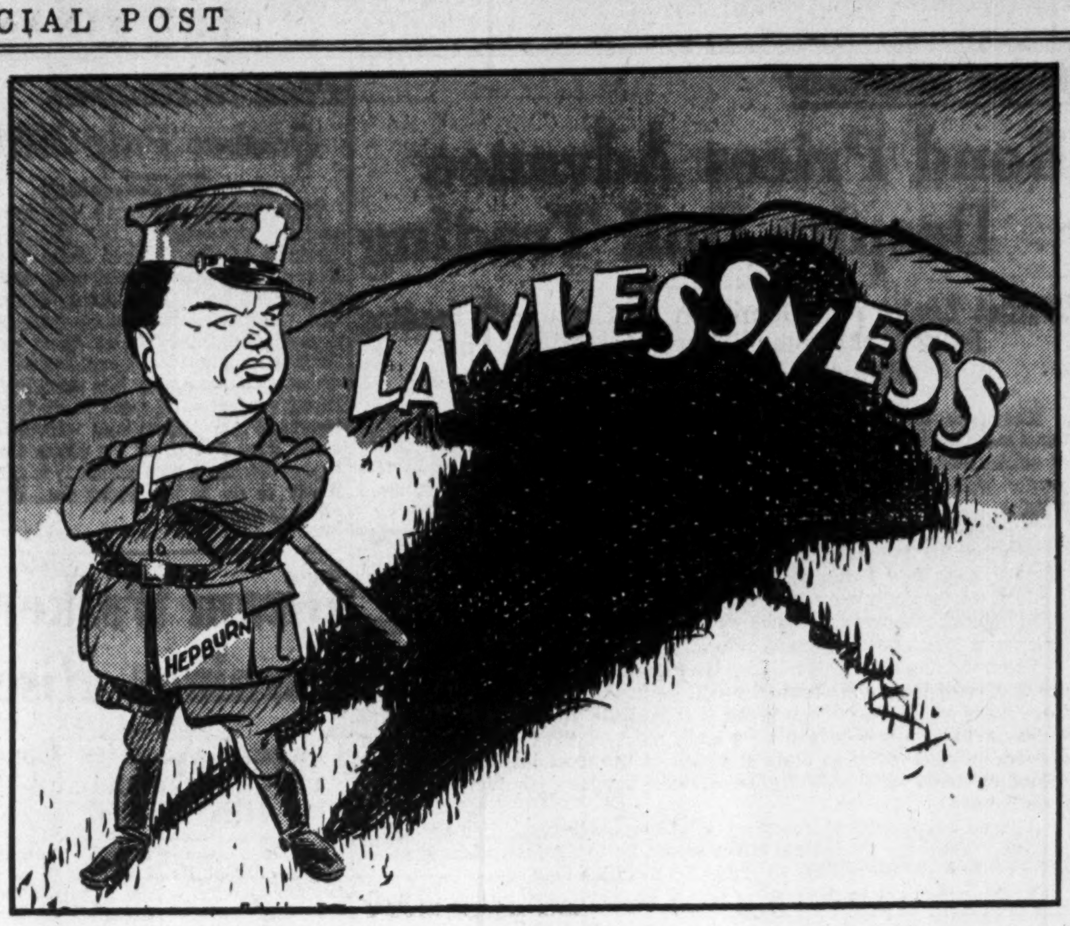
"There can be no true national life in our democracy unless we give unqualified recognition to freedom of religious worship and freedom of education."—*President Roosevelt.*

• • •

"It is far better to go when people may still think of you as perhaps not incompetent than to stay until they know before you go that you are becoming incompetent." — *Rt. Hon. Stanley Baldwin.*

• • •

"We should produce all we can of products that we can produce naturally and none of those products which other countries produce naturally and better than we do." — *Hon. W. D. Herridge.*



DOING A JOB FOR CANADA

—*Cartoon by Grassick.*

The Challenge of C.I.O. . .

St. Catharines Standard

The incursion of the C.I.O. into Canada is causing a serious situation to industry in general. How much more serious it will become depends upon the nature and the result of the struggle now in progress at Oshawa.

One of the reasons why Premier Hepburn has taken the strong stand he has, is because of the fear of the arbitrary spread and dictation of C.I.O. methods to other major industries of the province, including paper manufacture and work in the lumber camps.

In this connection, Premier Hepburn has the support of William Green, president of the American Federation of Labor, who recently said: "The C.I.O. is undemocratic, and the men it represents are not given the opportunity to vote on contracts negotiated. It has brought about the most abject surrender of union autonomy." This statement by Mr. Green is borne out by what Henry Ford recently said that there had been three big strikes under the C.I.O. and the men did not get anything. But they have lost their liberty. That would be further the case if Canadian labor submits to dictation from a foreign headquarters. Many American newspapers have commented on the Oshawa strike to the same effect, and have asked, how long would the United States submit to what Canada is being asked to take at the present time, a plan of campaign imported from another country.

It is for just such reason that ultimately right and reason will prevail against the present troublous times. And at the same time, public opinion in this country supports the men in getting the very best terms and conditions from their employers, but not the other end of what is being sought, the coronation of John L. Lewis.

• • •

London Free Press

No one questions the right of the men to organize if they please, but in view of the history of the C.I.O. one does doubt the wisdom of Canadian workingmen linking up with such a body. The workingmen of Oshawa are loyal, law-abiding Canadian citizens like ourselves. They have shown this so far in their attitude. If they have grievances they should be righted. But they should think twice before they insist on recognition of the C.I.O. and its American leaders as the chief reason for remaining on strike—a strike which will cause infinite loss to workingmen and firms all over Ontario.

• • •

Ottawa Journal

This strike is not an ordinary dispute between employees and an employer. Nor is the predominant issue concerned with matters of hours and wages. What is at stake here is the question of how industry shall be controlled—and by whom.

Shall industry and free enterprise be subjected to a labor dictatorship?

Shall industry and our whole capitalist system be under the whim and caprice of a single individual, or of a few individuals at best?

Shall the things we have refused to yield to capital be yielded now to labor?

Shall consumers and agriculturists and the great middle class be ground down between a vast and irresponsible and triumphant labor organization on the one hand, and a yielding capitalism and impotent State on the other?

That is the issue raised by John L. Lewis— there is no other real issue.

• • •

Calgary Herald

Canadian employers and Canadian employees are well able to adjust their differences without domination from highly-paid labor officials in tthe States. The extreme tactics used by the Lewis labor organization, the C.I.O., should serve as a warning to Canadians. We want none of those methods, including the sit-down strike, in this country. One of the chief points at issue in the trouble at Oshawa is the insistence by American agitators that they control the strikers. The company refuses to negotiate with these foreigners.

Reign of Lawlessness . .

Business Week

By means of sit-down strikes, the United States has been put at the mercy of thoroughly irresponsible groups which in effect have no leadership, no control, no authority that can restrain them. Great industries, whose operations affect the daily welfare of millions, are confronted with demands to sign contracts with groups which, day by day and hour by hour, demonstrate that they have almost no control over their own people, no conception of the validity or the sanctity of a contract, no respect for the commonest code of ethics, no regard for property rights or for rights of any sort except their own.

It is no answer to say that the nominal leaders of these groups can't help it—that they are sorry they can't control their men. They have not only condoned the sit-down strike but have deliberately and officially made use of it, knowing it to be destructive and subversive. They used it when they obviously represented no right at all, either legal or social, as in the case of one Detroit department store where, after a sit-down strike, it was found that only 17 of the 200 employees claimed membership in the union.

If the nominal leaders of these groups were honest, if they deplored the tactics of lawless confiscation, they would have said to General Motors: "We haven't any right to ask you to deal with us as long as our members are violating a property right and trampling on the temporary agreement we signed with you a few days ago." And they would have put on their hats and gone out to end the sit-down and uphold the law and their own written promise.

Instead they used the sit-down as a weapon against the company and succeeded in standing off the state and local governments. They used it later against other employers. Their example inspired its use by other groups, not only unions that belong to the Committee for Industrial Organization but some that are in good standing in the American Federation of Labor.

And yet for three months the sit-down has been condoned almost everywhere by state and local officials, and condoned, too, by the national Administration, notably in the person of Secretary of Labor Perkins. Nothing that President Roosevelt may say at this time or in the future can erase the fact that for three months he condoned the sit-down strikes, while the country looked to him, in vain, for a word of disapproval, of warning, of demand for law obedience.

The B.C. Election . . .

Vancouver Province

British Columbia, the province of many premiers, is to have another general election. The precise date of it will be announced by April 22, Premier Pattullo states, and it appears the expectation at the coast that it will be held either in late May or early June.

Mr. Pattullo is the 22nd government leader British Columbia has had since it entered Confederation in 1871. This works out at an average of exactly a three-year term for these 22 government heads. Ontario, in the Confederation picture from the beginning in 1867, four years earlier than British Columbia, has had exactly half the number of governments British Columbia has had. Mr. Hepburn, the present incumbent, is the eleventh prime minister of Ontario. Manitoba has been a province a year longer than British Columbia, but Mr. Bracken, its present government leader, is only its 12th head.

Early Verdict

Mr. Pattullo is bringing on the latest general election substantially earlier than obliged to by the constitution. His government has been in office only about three and a half years. The last general election in B. C. was in November, 1933. Mr. Pattullo could have deferred an election for a year and a half yet without inviting constitutional difficulties. Why he is bringing it on after just three and a half years in office is not indicated.

The Pattullo administration looks in a reasonably strong position with respect to the coming contest. The Liberal party holds 33 or 34 seats in a legislature of 48. It will have opposition, of course, but the fight against it may be a seriously divided one. The Conservatives did not contest the election in 1933 but there has been some evidence of party reorganization, and it is likely that Conservative candidates will be nominated.

C. C. F. Position

The C.C.F., which became the official opposition in the B. C. house after the last election, with a representation of seven, has, over recent months, had difficulties on its hands. This house representation of seven has been split into two bodies. Rev. Robert Connell was the C. C. F. leader in the legislature after the last election. He and one or two other C. C. F. members of the house were read out of the party and have since launched a new party, the "Social Construction" party. The Pattullo Government seems likely to be fought by quite a hodge-podge, perhaps all operating independently—the C. C. F., the Social Constructionists, Social Crediters (who are in two schools, the Douglas and Aberhart wings), Independents, Laborites, Communists, etc.

It may be open to question if Social Crediters will make much of a showing in the B. C. election. The party crisis in Alberta and the failure to date to deliver Social Credit in the latter province may not help them.

There has of late been considerable talk of a secession movement developing on Vancouver Island, and it remains to be seen if this will militate against the Pattullo régime. The claim has been that the island, furnishing much of the province's revenue, has not been getting adequate attention.

In the Mail

(Not over 200 words, please)

Prairie Farmers Speak

Editor, The Financial Post:

Farmers of large sections of the Saskatchewan drought area are entirely dependent on governmental assistance for their seed, feed, fuel oil, machinery repairs and other incidentals needed while putting in their crop.

We have received notification that the Government only intends to allow about half the amount required to take care of seeding requirements, and have decided to make a public appeal in the hope that the Government will, through pressure of public opinion, be forced to change their decision.

To illustrate our trouble an outline of the situation in the rural municipality of Grassy Creek No. 78, which surrounds the town of Shaunavon in southern Saskatchewan will be used. The residents of this municipality are good reliable farmers, who in spite of the drought have kept their farms in good shape. The land is good, and has suffered far less from soil drifting than most of the drought area. Due to a publicity campaign sponsored by the Shaunavon Board of Trade, the farmers have adopted the strip farming method of summerfallowing, which has left us in little fear of future soil drifting.

In 1928 the Shaunavon district shipped about two million bushels of wheat. The relief committee of the Grassy Creek municipality only asked the Government for $85,000 for seeding operations, although they admit that it was insufficient in that it only allowed a maximum of three hundred acres to any one farmer, and there are farmers who have as high as six and seven hundred acres of summerfallow waiting to be seeded. Now we are officially informed that the Government will only allow $49,000 for this purpose, although, of course, the money is a loan rather than a gift.

The effects of this will be far-reaching. Many acres of summerfallow now ready and waiting to be seeded will not be seeded, with the result that those acres not seeded must be left to grow weeds all summer or kept cultivated. If it is kept cultivated for a second summer, soil drifting cannot be avoided, and soil drifting is cumulative in its effect, for one field drifting will invariably start the one along side of it to drift also. Many more acres will not be worked and seeded in the manner in which they should be with a consequent loss of yield.

What effect is this situation going to have on people of the east to whom we owe money and with whom we spend all our money?

Our association held a meeting the other day in Shaunavon, attended by from 150 to 200 farmers. The tragic situation was thoroughly discussed in a sane, quiet and businesslike way by farmers who are the backbone of the community with the result that the following resolution was adopted unanimously—"That the farmers of the district refuse to seed an acre of crop until the Government agrees to give sufficient to every farmer to put in his crop."

It would seem an unhappy situation where normally self-sustaining citizens have to be dependent on the Government for aid yet nevertheless these same people are the ones who supply this nation and part of the Empire with food.

H. F. HUGHES, Secretary,
Farmers' Protective Association of
Shaunavon.

Post-Scripts

Guilty or Not Guilty?

WHO but a trained lawyer, asks The Economist, London, could have worded the simple penetrating sentence which occurred recently in a summing-up delivered to a jury by one of His Majesty's judges?—

> "Quite plainly, in my view as a lawyer, I cannot find it very difficult to see how you can fail to find that this woman is not guilty of manslaughter."

With these words ringing in their ears the jurymen retire. Let us follow them discreetly into the jury room and listen to the discussion (not very clearly worded, alas, since they are no lawyers) which springs from this direction.

"It's pretty clear anyway that he doesn't want us to bring in manslaughter."

"Wants us not to! He said we might."

"Pardon me, sir, but your memory is at fault. I memorized the words carefully. He said that he couldn't find it difficult to see how we could fail to find that she is not guilty."

"Exactly. Couldn't see and not guilty. Two negatives. And two negatives, as all educated men know, make a positive."

"No. No. It's not two negatives. It's three. Fail is a negative verb. When he said 'not fail to find' he meant 'not not find.' So there's an odd number of negatives, and the rule is that an even number of negatives makes a positive and an odd number a negative."

"Negative what?"

"Why, of course, a negative . . . Oh, I don't know, I'm muddled."

Here a third voice breaks in.

"If you gentlemen will allow me to say so, you are both wrong. There are neither two negatives nor three. There are four. In this context the word 'difficult' has the force of a negative, and what he meant was that he could see that we could not find that the woman is not guilty."

So, says The Economist in ironical conclusion, we leave them steadily moving under skilled guidance to inevitable truth.

As Others See Us . . . .

Encouraging to Weeklies

Carleton Place Canadian

Comment on "Our Sane Country Weeklies" such as came recently from an influential and independent paper like The Financial Post is most encouraging to every weekly newspaper editor. The Post is noted as a paper with opinions, in the expression of which it takes a considered and fearless attitude, and this word of praise and commendation will greatly strengthen the influence of Alberta's weekly press.

These papers have battled a strong public opinion, believing that they were leading the people of that province along the proper course, many venturing these opinions at considerable sacrifice, and this vindication of their course of action as is indicated by The Post editorial is indeed gratifying.

That Royal Commission

Saint John Times-Globe

The Financial Post appears to scent a danger in the proposed royal commission to study the financial bases of confederation. It says: "One of the dangers is that the country will expect the commission to be a sort of Duncan Commission for every part of Canada that feels it is suffering from some economic grievance. If the commission ever starts out on the mission of finding out and reporting upon what the different areas of Canada regard as their particular economic disabilities its members may as well make up their minds either to sit for several years or to give but scant attention to their major task, which is to give us expert advice on a new financial and taxation settlement to replace the one of 1867."

The country has not yet been informed concerning the duties of the royal commission, but what the Duncan Commission did was certainly for the good of Canada as well as for the Maritime Provinces. Possibly The Financial Post is not anxious to learn that the rest of the country has been subsidizing Ontario, but if confederation is to be a success the viewpoint of all its members must be taken into consideration, and if there are serious grievances they have a right to be heard. The western provinces are insistent on this point.

Peace the Way to Prosperity

Peel Gazette, Brampton

Canadian canning, fishing and other "food industries" of Canada are, according to The Financial Post, counting on a rich harvest from the apparent intention of the British Government to store sufficient food in the United Kingdom to keep people there alive for six months in the event of the sea lanes being closed by war.

From a purely economic standpoint one of the worst things that could happen this country would be the carrying out of such a policy. Buying in this country, in a few weeks, enough foodstuffs to satisfy British import needs for six months would create a fictitious prosperity for a short time and subsequent stoppage would leave industry prostrate. As The Post itself very wisely says such is not a real prosperity. It is a narcotic that gives merely a temporary stimulus to be followed by a prolonged period of prostration.

If the world would but cease even to think of war, and throw open its ports and marts to peaceful commerce, worldwide prosperity would be in sight. Another world war would reduce all countries to a condition worse than that existing in Continental Europe after the thirty years' war.

Stop Me If You've Heard This One . . .

A young man brought his best girl a handsome bouquet of flowers.

"How beautiful they are—and so fresh," she gushed. "I believe there is some dew on them, too."

"Yes, but that will be paid off Saturday night," replied the young fellow.

Week in Business

No Signs of Check In Business Recovery

Sales Production and Car Loading Figures Continue to Show Improvement — N. S. Recognizes Collective Bargaining

Despite recent setbacks in Canadian stock and grain markets, production and sales statistics of leading industries indicate very definite improvement.

Railway gross earning and carloadings continue to improve substantially. New motor car registrations for the first quarter of the current year are very much higher than in 1936. Heavy industries like iron and steel have advanced production. Western crop prospects are becoming steadily more favorable. Purchases of power farming equipment in the Prairie provinces are not only on a higher scale than for many years but a relatively large percentage of these sales are for cash. Newsprint production figures are up.

In wheat, at least, and this commodity occupies a major position in Canada's economic life, recent declines may even be construed as a favorable factor because these are based very definitely on the assumption that large crops are in sight on the North American continent. A big yield at a moderate price will certainly put more purchasing power into Western Canada than below normal harvests at high values.

• • • •

Business is better but there is as yet no boom, in the opinion of Col. Leonard P. Ayers of the Cleveland Trust Co. Deploring present talk in United States of expansion control, the outspoken, well-known United States executive states:

> "A good deal of bad economics is being talked in these days about emergency measures to prevent a business boom, extended controls to check bank credit expansion, and increased federal powers to restrain commodity price advances. These discussions constitute a kind of locking of the stable door before the family horse has even been acquired. The truth is that we not only have no business boom, but we have not as yet definitely emerged from the depression. The exceptionally rapid price advances have been in commodities of international trade. General business, including industry, agriculture, trade, and transportation, is still 15% or more below normal."

• • • •

Right of employees to organize in trade unions and to bargain collectively is now officially recognized in Nova Scotia as a result of a bill passed by the provincial legislature. The measure contains penalties for employers who would intimidate workers or prevent them from joining a union. Right to check-off for union dues in those industries where a deduction from wages already exists for other purposes, is also provided.

Commented Premier Angus Macdonald:

> "The example set by Nova Scotia in peaceful settlement and negotiation might well be taken as a model in many other parts of the continent where a recognition of unions and right to check-off have not yet been obtained despite prolonged bitterness."

Business Indicators

Iron and steel production continues to move up sharply and this will be good news not only to business in and around the steel mills and foundries but to the customers of the plants themselves. Much has been heard in recent months of shortages in certain lines of metal products.

Railways—Notwithstanding almost continuous weekly gains recently, gross revenue of both main Canadian railways again mounted substantially during the first half of April. Gains for the C.N.R. amounted to over 20% and the C.P.R. showing is almost as impressive.

Newsprint—Production in March exceeded the previous month by a wide margin. Aside from the benefit to the industry itself, this increasing output indicates expanding newspapers and advertising and hence expanding business both here and in United States.

Current trend of Canadian business is revealed in the following statistics especially compiled by The Financial Post; new figures this week being marked thus▲:

	WEEKLY DATA		—Cumulative Total—	
	—Latest—		Jan. 1 to date	
	1937	1936	1937	1936
Transportation—				
Car loadings (Apr. 10)	▲47,344	44,345	657,989	588,603
C.N.R. gross earn. (Apr. 14)	$ ▲3,882,271	$ 3,203,752	$ 53,051,437	$ 47,729,417
C.P.R. gross earn. (Apr. 14)	$ ▲2,714,000	$ 2,474,000	$ 37,277,000	$ 34,271,000
Business Conditions—				
Weekly index D.B.S. (Apr. 10)	▲114.2	107.3	......	......
	MONTHLY DATA			
Business Conditions—				
Financial Post index (Mar.)	118.3	106.0	......	......
Transportation—				
C.P.R. net revenue (Feb.)	$ ▲990,739	867,397	1,904,248	1,479,969
C.N.R. net revenue (Feb.)	$ 471,894	$ ‡288,460	$ 555,117	$ ‡864,790
Iron and Steel (Mar.)—				
Pig iron production (tons)	▲70,986	55,009	199,381	172,096
Steel ingots and castings prod. (tons)	▲125,104	101,092	356,100	294,690
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Feb.)	8,801	4,311	17,323	9,058
Factory output (Feb.)	14,415	10,853	29,424	22,114
Trucks and Buses:				
Domestic sales* (Feb.)	2,065	1,162	3,742	2,103
Factory output (Feb.)	5,292	2,415	9,866	4,456
Exports (Feb.)	4,436	4,583	9,750	11,205
Construction—				
Building permits (Mar.)	$ ▲6,654,516	$ 2,368,537	$ 10,470,129	$ 5,592,471
Contracts awarded (Mar.)	$ 16,058,100	$ 10,289,100	$ 31,409,100	$ 32,127,200
Newsprint (tons)—				
Production (Mar.)	▲301,110	243,900	864,333	693,424
Exports, tons (Feb.)	222,945	184,079	482,488	368,962
Sugar (lb.)—				
Melting & sales§ (raw)	22,026,102	20,434,690	43,699,603	41,489,975
Manufactured§	20,934,196	20,769,861	42,886,466	44,814,535
Flour (bbls.)—				
Production (Feb.)	999,694	1,019,017	2,008,324	2,001,005
Wheat flour exports (Mar.)	390,315	476,773	1,052,122	1,131,186
Trade—				
Retail trade (index no. of sales) (February)	76.8	69.4	......	......
Imports (February)	$ 48,680,884	$ 41,597,398	$ 100,563,502	$ 82,187,674
Exports (February)	$ 75,691,324	$ 62,797,690	$ 159,107,448	$ 127,542,014
Wheat exports (bus. (Feb.)	5,362,031	14,241,169	15,151,058	21,798,489
Employment D.B.S. Index (Mar. 1)—				
All industries	102.8	98.9	......	......
Manufacturing	107.6	99.5	......	......
Electric Power Output (Feb.)				
Total monthly m.k.h. (000's omitted)	2,009,592	1,827,294	4,193,832	3,800,740
Other Industrial Indices				
Lumbering:				
Plank & board exports M bd. ft. (March)	▲148,837	142,062	426,606	309,655
Boot & shoe prod., pr. (Feb.)	1,929,500	1,835,240	3,411,517	3,349,199
Crude petrol., imp. gal. (Feb.)	52,419,321	39,654,916	107,058,972	100,786,265
Cotton imports, lb. (Mar.)	▲15,462,512	13,558,113	42,770,417	45,221,720
Raw rubber imp., lb. (Mar.)	▲5,851,745	4,052,065	12,354,403	12,246,613
Coal imports, tons (Feb.)	486,528	530,842	1,061,405	983,520
Cigarette cons. (Feb.) No.†	418,344	357,943	865,511	674,477
Finance—				
Bank debits (Feb.)†	2,731,934	2,767,449	5,959,289	5,759,517
Bond sales (Mar.)	$ ▲83,355,539	$ 121,846,225	$ 389,151,231	$ 411,292,114
Life insurance sales (Feb.)	$ 30,604,000	$ 28,834,000	$ 59,368,000	$ 63,055,000
Automobile Financing (Feb.)—				
Used cars	$ 1,642,816	$ 960,796	$ 3,063,830	$ 1,977,132
New cars	$ 1,926,096	$ 1,102,521	$ 3,774,227	$ 2,156,523

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Feb. 27. ‡Deficit.

Price Brothers & Company, Limited
5% First Mortgage Bonds
Due March 1, 1957
Price: 100½ and interest, yielding 4.96%

Calgary Power Company, Limited
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Price: 94½ flat, yielding 6.35%

Information on request.

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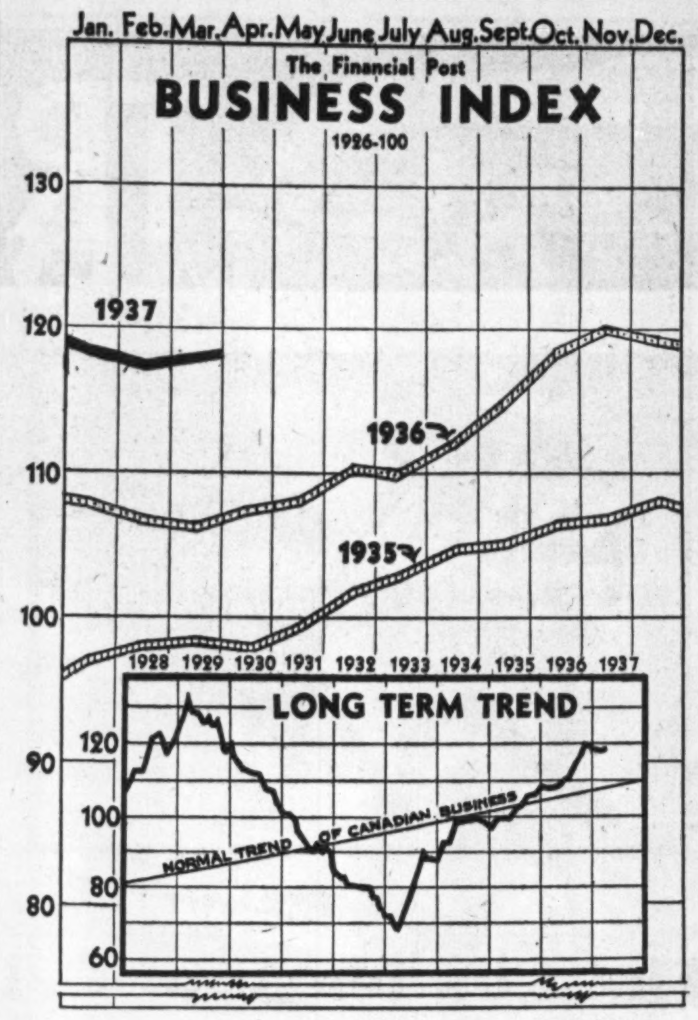

TREND UPWARD

Following the consolidation period of the preceding three months productive operations resumed an upward trend in March. Increases were recorded in many of the significant factors measuring the trend of Canadian business. The bright spots included the outward movement of nickel in various forms, the totals for March constituting a new record in the history of the industry. Further advances were shown in newsprint production and in the output of the primary iron and steel industry. The production of automobiles was greater than in any other March in the post-war period except 1929. A seasonally adjusted increase was shown in imports while the gain in exports over February was less than normal for the season.

Major Canadian Economic Factors

		March, 1937	March, 1936	February, 1937	Increase or Decrease March, 1937-1936 P.C.
Financial Post business index		118.3	106.4	117.6	+11.2
Wholesale prices		85.5	72.4	82.9	+18.1
Common stock prices		147.2	117.4	142.4	+25.4
Inverted index of Dominion bond yields		137.6	143.1	146.2	—3.8
Bank deposits		118.5	108.7	117.7	+9.0
Mineral production:					
Copper exports	cwt.	405,847	353,069	257,154	+14.9
Nickel exports	cwt.	242,028	185,314	159,321	+30.6
Zinc exports	cwt.	246,876	321,843	149,429	—23.3
Gold shipments	fine oz.	308,158	271,715	316,950	+13.4
Silver shipments	fine oz.	1,493,852	1,958,302	2,028,637	—23.7
Asbestos exports	tons	13,612	9,645	10,315	+41.1
Manufacturing production:					
Cattle slaughterings	No.	123,340	110,515	90,225	+11.6
Hog slaughterings	No.	357,883	262,531	334,408	+36.3
Sugar manufactured	lb.	30,233,930	22,330,975	20,934,196	+35.4
Raw cotton imports	lb.	15,462,512	13,558,113	12,118,718	+14.1
Cotton yarn imports	lb.	541,970	492,594	437,875	+10.0
Raw wool and yarn imports	lb.	4,525,381	3,831,180	2,967,674	+18.1
Newsprint production	tons	301,110	243,900	275,532	+23.5
Woodpulp exports	cwt.	1,639,667	1,508,523	1,139,967	+8.7
Exports of planks and boards	ft.	148,837,000	142,062,000	120,856,000	+4.8
Steel ingot production	tons	125,104	101,092	111,823	+23.8
Pig iron production	tons	70,986	55,009	61,995	+29.0
Petroleum imports	gal.	50,483,343	65,383,199	52,419,321	—22.8
Crude rubber imports	lb.	5,851,745	4,052,065	2,846,235	+44.4
Construction: Contracts awarded	$	16,058,100	10,289,100	8,728,800	+56.1
Building permits	$	6,654,516	2,368,537	2,120,111	+180.9
Carloadings	No.	214,379	192,123	186,213	+11.6

Background of Business

Big Motor Year

Anyone driving on the highways of eastern Canada this spring must have been struck by the increasing percentage of brand new cars. Such observers have realized that early sales are running at a high volume. That they have definitely is proved by Canadian Automotive Trade's current compilation of new car registrations which shows big gains over 1936 in every make of passenger vehicle.

Most active models, Ford, Chevrolet and Dodge were up an average of 50% in March over the same month a year ago and increases for the year to date are generally as impressive. Effects of motor workers strikes on sales, of course, cannot be expected to show effect before the April figures are available.

Details are as follows:

New Passenger Car Registrations
(†In Eastern Canada)

	Mar., 1937	Mar., 1936	Year to Date 1937	Year to Date 1936
Ford	1,751	1,182	4,435	2,739
Chevrolet	1,739	1,366	3,844	3,051
Dodge	1,459	630	3,239	1,429
Plymouth	1,196	527	2,683	1,242
Pontiac	505	183	1,221	442
Oldsmobile	437	343	1,144	817
Chrysler	355	163	861	388
McL. Buick	303	229	784	587
Terraplane	245	142	510	315
Packard	173	106	443	243

†P. E. I. not reported.

Big Motor Year

However, unless Canadian motor troubles are much more prolonged than was the case in United States, this year promises to eclipse anything since 1929. In United States, indeed, production for the first quarter, strike tie-up notwithstanding, was 20% above a year ago and actually a shade better than in the banner year of 1929. With sit downers replaced by workers Detroit factories are working at maximum capacity and rush of current orders indicates a continuance of this pace until well in to June.

Fur Sales Rise

Because Alberta fox and mink ranchers increased their output of fur in the 1936 season they will receive a gross return about equal to that of 1935, despite price reductions in the market value of pelts.

Using game department permit figures as a basis, the return to Alberta ranchers will be about $308,500, but by far the greater part, around $300,000, represents returns from ranch raised fox fur. About 1,000 pelts in excess of the 1935 crop were marketed last year and these were not only more plentiful but of finer quality. In contrast, the marketing of 160,000 squirrel pelts constituted only about a fourth of the output for a peak year.

Port Dues Protested

Representatives of the coal, logging, lumber and shipping industries of British Columbia are up in arms over the new Dominion harbor dues. Meetings are being held in Vancouver, to discuss the situation and present objections to Ottawa authorities. Several B. C. ports are affected by the new rates, but Vancouver charges are typical of the increases, which, it is claimed, create discrimination against ports and are regarded by B. C. mercantile interests as particularly excessive in the case of log booms. Pulp, coal and other industries complain, through their representatives, of increased costs of doing business.

An example of the increased rates is cited in the case of the S.S. Empress of Japan which now pays $2,372 dues at Victoria and Vancouver, but will be required to pay $3,616 under the new rates.

A chartered tramp steamer of average size pays $221 but will now pay $520, and an average tug towing an average of 100 log booms in a season pays $1,410 but would pay $11,210 under the new schedules, it is claimed.

Tourist Net $150 Millions

Tourists spent approximately $257 millions in Canada last year, according to a preliminary estimate of the federal department of national revenue. On the other hand, Canadians visiting other countries paid some $95 millions in travelling expenses, for souvenirs and what have you.

Corresponding figures for 1935 were $214 millions and $87 millions, respectively. Thus the favorable balance accruing to Canada on tourist trade account in 1936 was in the neighborhood of $162 millions, $35 millions above the previous year's total.

Tourists who motored from the United States account for the bulk of the total, spending $171.4 millions last year, compared with $141 millions in 1935. Those travelling by railway and steamer were the next heaviest spenders, leaving $65 millions in the Dominion in 1936, as against $54 millions. Visitors entering the country by ferry and airplane and those from overseas countries make up the balance, each contributing about $10 millions.

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Investment Trust Position Better

C. G. I. Reports Improved Earnings and Assets

First quarter of 1937 has seen substantial improvement in the position of Canadian General Investments, Ltd. Net asset value per share, earnings, and profit realized on investments all show improvement. Decline in market values since the end of March has probably erased some of the gain in net asset value.

At March 31, 1937, net asset value of the company's investments was equal to about $15.80 a share on the 600,589 common shares. This represents an increase of 34.9% when compared with the figure for March 31, 1936, and is approximately 7.9% higher than the $14.65 reported at the end of 1936.

Earnings Gain

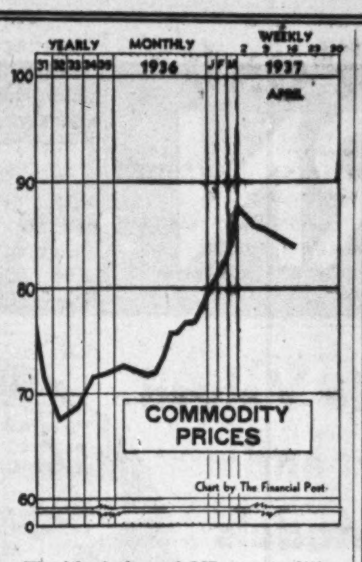
Net earnings reported by Canadian General Investments for the three months ended March 31, 1937, amounted to $91,805, equal to 15 cents a share. This compares with net earnings of $67,300 for the corresponding period of 1936, or 11 cents a share, and is an increase of over 35%. After deducting dividends at the rate of 12½ cents a share for the 1937 quarter, a surplus of $16,805 was shown for the period. In the 1936 quarter dividends of 10 cents a share were paid and surplus amounted to about $7,300.

Canadian General Investments has been realizing some of the substantial profits which have accrued on its holdings. In the first quarter of 1937 profits realized from this source totalled $167,770 as compared with $70,801 for the corresponding period of 1936.

Montreal Apartments Has Lower 1936 Earnings

Revenue of Montreal Apartments Ltd., operating three apartment buildings in Montreal, was equivalent to 1.12 times interest charges on the first mortgage bonds in 1936. This result, which was after operating expenses and taxes but before depreciation, compares with 1.25 times in 1935.

Sinking fund provisions have been carried out on this company's first mortgage bonds and interest payments made to date. A reorganization was completed in Sept., 1936, involving an extension of maturity of the 7% general mortgage issue.



Weekly index of 567 commodities, compiled by the Dominion Bureau of Statistics, declined to 86.0 in the week ended April 16, compared with an index of 86.7 for the preceding week.

Commodities

Declines in Canadian commodity prices continue to be shown by nearly all basic items but the general level of Canadian commodity prices is showing relatively greater resistance to reactionary influences than is the case in other world markets.

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$9.00	$9.00	$6.75
Hogs	9.25	9.50	9.00
Copper, lb.	.15½	.16	.09½
Cotton, lb.	.1399	.1453	.1181
Rubber, lb.	.2250	.2444	.1606
Sugar, raw, lb.	.0350	.0343	.0375
Silk, lb.	2.18	2.24	1.69
Wheat (Man.) bu.	1.36¾	1.42⅞	.81¾
Coffee, lb.	.09	.09	.06⅜
Hides	.15¾	.16½	.11
Weekly Indices			
N. Y. Annalist	144.5	145.2	124.4
Fishers'	94.3	94.5	82.6
N. Y. Journal of Comm.	91.9	92.4	80.3
Crumps (Brit.)	83.4	83.9	68.3
U. S. Labor	87.9	88.3	79.5
Canada (D.B.S.)	86.7	86.9	72.0

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Mar.)	82.0	81.7	80.4
W'sale (Mar.)	85.5	82.9	72.4
United States (Mar.)	143.5	139.4	124.9
Gt. Brit. (Jan.)	102.9	100.8	91.8

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 = 100 base. U. S. is Annalist 1913 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North Ft. W.-Pt. A. Basis: Hides — No. 1 packer light native cows: Hogs—select bacons, Toronto.

Regardless of the Amount

Whether the amount to be invested is large or small, clients of this firm are assured of careful and courteous attention to their requirements.

A complete investment service is available at any of our Branches

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Lake Sulphite Pulp Company Limited
No Par Value Common Shares

We maintain a market for these shares and will be glad to supply complete information upon request.

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161
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Montreal
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THE
LONDON & WESTERN TRUSTS
COMPANY LIMITED
ESTABLISHED 1896
LONDON - TORONTO - WINDSOR - WINNIPEG - VANCOUVER

The Rose Petal on the Cup

Remember the old legend of the gracious host who offered his guest a cup filled to the brim? And then on the top he dropped a rose petal — the final token of consideration.

WITHIN the reach of many a man is a "cup" brimful of future security for his wife and children, should anything happen to him. And in addition to that full measure of protection for them, the "rose petal" on top pledges future comforts for himself at retirement age.

In step with other modern advances, life insurance has found ways and means to include many kinds of financial protection in a Life Insurance Program and even in a single policy.

Security for a man's wife and children is usually his first consideration. But the majority of the men who read this advertisement will reach 60, if they have not done so already, and will need an income at retirement age. The children in many of their families will grow up and become self-supporting. Then will come the time when the insurance which spelled safety for many years can be converted into a regular monthly income, permitting father and mother leisurely to enjoy their later years.

A Metropolitan Field-Man will be glad to show you how you can arrange this security for your family and yourself. Telephone the nearest Metropolitan office and ask him to call—or mail the coupon.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

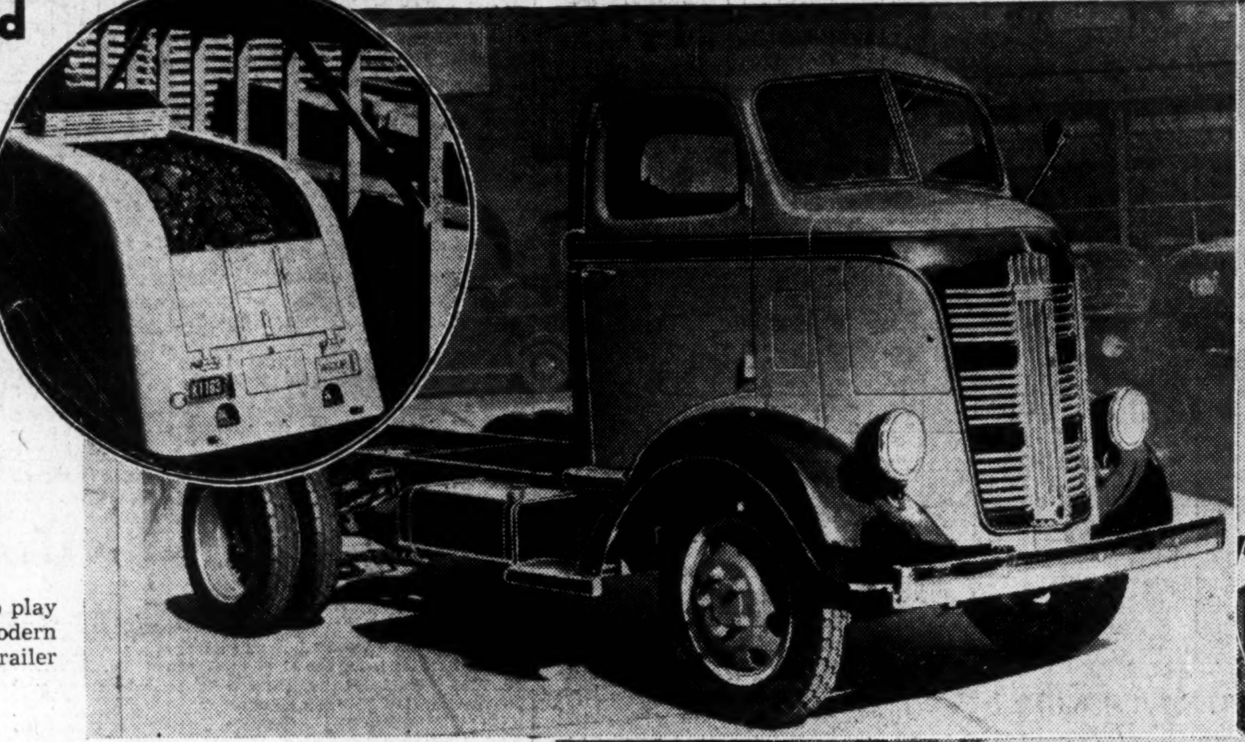
The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

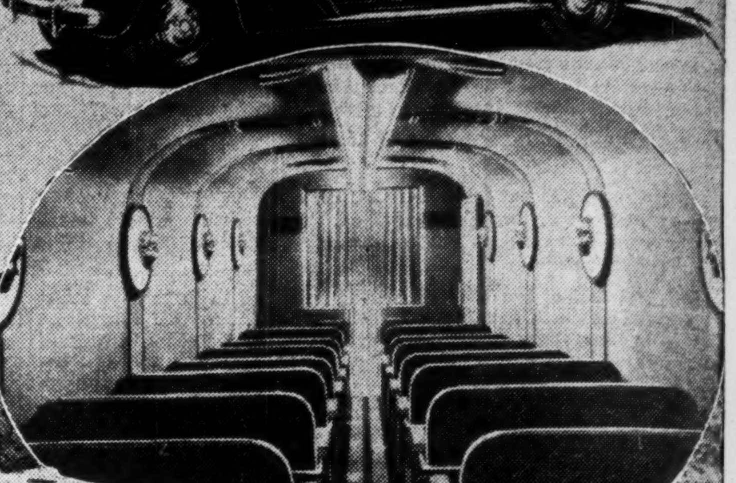
METROPOLITAN LIFE INSURANCE COMPANY
Canadian Head Office, Ottawa
Without obligation on my part, I would like to have information regarding a Life Insurance Program to meet my needs.
NAME.....................
ADDRESS.....................
CITY..................... PROV.....................
Y-437

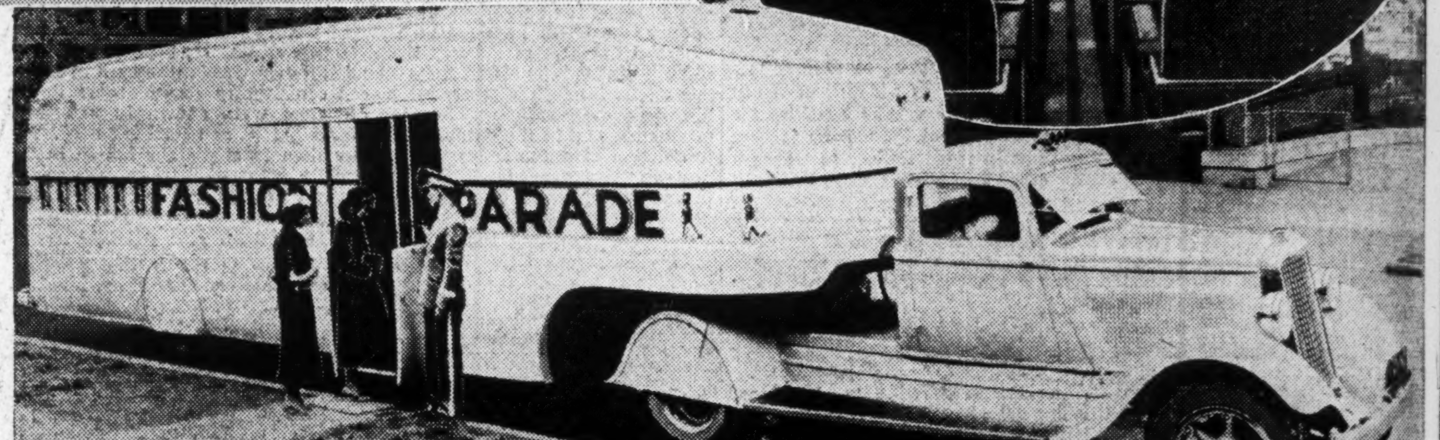
METROPOLITAN LIFE INSURANCE COMPANY
CANADIAN HEAD OFFICE—OTTAWA
FREDERICK H. ECKER, *Chairman of the Board*
LEROY A. LINCOLN, *President*
SERVING CANADA SINCE 1872

MODERN TRUCKING

Replacement Market in Canada Valued at $125,000,000—Economy and Service Keynote of Today's Models







This spring Canadians are spending a quarter of a million dollars daily on new trucks and commercial units. These trucks are more economical, more efficient and offer better dollar value than at any previous time in truck history.

Some of newest units on the market are shown in the adjoining pictures. They range from neat, speedy "panel" bodies shown in the top right hand corner to mammoth trailer jobs fitted (as shown above) in auditorium style or as travelling salesrooms for the display of merchandise or educational material.

At top centre is a new "cab-over-engine" unit—one of the most important trucking innovations in many years, while at the extreme left is a specially designed "custom" job for sealed, dustless delivery of coal.

The rugged dump truck at left is built for long life and faithful service while at bottom is a striking industrial unit built especially to serve the new Canada Packers Ltd. plant at Edmonton.

LAST year Canadians spent $21 millions on new buses and trucks. This was an increase of 15 per cent over corresponding figures for 1935. An increase of nearly 400 per cent over 1933 totals.

And already in the first two months of 1937, sales have increased more than 80 per cent over corresponding totals for the previous year. This figure is perhaps unusually high as a result of the extremely mild winter in Eastern and Central Canada. It is indicative, however, of the widespread swing toward new equipment which is characteristic of almost every part of Canada.

Experts estimate that there is a normal market for truck and bus equipment in Canada amounting to at least $25 millions annually. Even as far back as 1927, total sales in one year touched the $30 million mark. However, the coming of the depression dried up normal sources of demand with the result that in one year sales dropped to as low a figure as $5.7 millions.

* * *

Catching Up the Backlog

THE year 1936 marked the first real attack on the problem of catching up with this delayed demand. Eighteen months ago it was estimated that there were approximately 140,000 truck and bus units on Canadian roads ready for replacement.

There were many reasons for this. In the first place, this equipment was obsolete very largely because it was too heavy. That is, these commercial units were carrying, on the average, too much weight for the amount of "pay load."

Other reasons were that many of these trucks were insufficiently powered, lacked adequate speed; were too costly to operate; had a poor weight and load distribution; had inadequate tire equipment or poor service facilities. In some cases there was an excessive first cost which is always an important factor in obsolescence.

Something has been done to catch up this huge "backlog." At the present time the number of units ready for replacement has been cut down to 125,000. On the basis that the average price of the new equipment is about $1,000 per unit it will be seen that there still exists a $125 million market for new trucking equipment.

The reasons for this huge modernization market are the same as those which held good eighteen months ago. The trucks are too heavy, are too costly to operate, and lack proper service, tire and equipment facilities. They are being replaced at the rate of three to four thousand units a month by modern and more profitable equipment.

* * *

A Good Advertisement

ONE important feature of these new, modern trucks is that they are definitely made to sell as well as deliver merchandise. One maker reports that there are no less than 225,000 options which a buyer has in ordering truck equipment from this particular firm. That is, there are almost a quarter of a million permutations and combinations of equipment, color schemes and so forth which can be supplied in this particular line. Another firm reports that very few jobs pass through their production lines nowadays that are not to some extent "custom" built.

For example, every important oil company in Canada now insists on having its truck unit painted in the distinctive color scheme associated with the company's products. The same holds true for breweries, bread and other foodstuff firms, and, in short, almost any large distributor who operates a fleet of trucking units.

* * *

Doing Double Duty

ANOTHER important factor has been the new trend toward streamlining and toward modern, up-to-the-minute styling in almost every type of truck body. Trucks are no longer made purely to do heavy jobs. They are made to be saleable and attractive as well as useful. The new trend toward "cab-over-engine" trucks — one of the most important features of the past year—has proved a further impetus to improved truck design and promises to lead the way toward even greater and more effective use of trucks as an important sales aid.

A further factor which promises to play an increasingly important part in modern merchandising is the use of tractor-trailer units to carry the sales message.

* * *

Big Farm Demand

ONE of the most important groups who will purchase new trucking equipment in 1937 in Canada will be the farm population. With the improvement in rural routes and the development of cheaper, more efficient trucking equipment definitely geared to the farmers' needs, the advent of commercial trucking units into the farming picture has become a matter of sound but simple economics.

Not merely do trucks perform transportation services on the farm more cheaply but they perform them in a way that cannot be otherwise obtained. Thus almost half of all livestock receipts are now handled by truck equipment. The figure becomes doubly significant when it is realized that as far back even as ten years ago this figure was near the 10% mark. The same applies to milk haulage, it being found in one important area in Canada covering 19 markets, that motor trucks hauled 98 per cent of milk to those markets. Similarly with fruit and vegetables the truck figure was placed at two-thirds of the total haulage, according to a recent survey.

With the return of better farm prices and restoration of purchasing power this market for commercial truck units assumes a new and important position.

* * *

Growth of Diesels

NO DISCUSSION of modern trucking would be complete without reference to the Diesel unit which has loomed so importantly in the truck field in recent years. On many sides much has been heard about the spectacular results being achieved toward reduced operating costs by this new form of power.

Every important truck manufacturer is experimenting with this type of engine and scores of installations are being made in Canada at the present time, particularly in the heavy truck field.

At present initial cost of these units is much higher than that of standard gasoline engines and operation is also hampered by higher maintenance costs and a lack of service facilities on the scale which these are available for regular truck equipment.

However, the substantial saving in operating costs for these fuel oil burning engines as compared with normal gasoline engines—savings running at least 50% in light of existing taxation on fuel oil—makes the Diesel units of very considerable importance particularly where hauls are long and loads are heavy.

Undoubtedly the Diesel unit is destined to play a larger part in the commercial trucking field and its record of performance is one which must be given very careful consideration.

* * *

Mining and Lumbering

ANOTHER important sphere in which modern trucking is making its mark is in the development of special equipment to meet the needs of certain major industries. Notable in this connection in Canada, are mining and lumbering.

And here the use and development of new metals and new materials which are capable of standing much greater strains and stresses than were heretofore thought possible must not be overlooked. Similarly the contribution of the tire manufacturers in developing tougher and more specialized tires for trucking needs is of very great significance.

In this connection the most important development of recent years is the ground grip tire which has made a permanent place for itself in the trucking field. These tires have applied the traction principle to ordinary trucking practice and as a result industries which make heavy demands such as lumbering in Canada's north country are finding the truck of steadily increasing importance and value.

* * *

Increasing Pay Load

REFERENCE has already been made to the fact that a primary reason why thousands of trucking units are being replaced is that they are too heavy. That is, that the trucks and commercial units are carrying, on the average, too much weight for the amount of "pay load."

It is estimated that today's truck in, for example, the 1½ ton group, is about 500 pounds lighter than its contemporary of a few years ago. This is being made possible by finding new types of steel in motors and frames and by redesigning these in such a way as to achieve "weight lightness." Such things as aluminum alloys have been introduced to cut down the weight of the body itself, a recent example being a gasoline tank truck which reduced the "dead" load from 5,200 to 3,650 pounds. The actual increase in "pay load" was from 800 to 1,200 gallons of gasoline.

* * *

Nickel Important Factor

THE contribution of nickel has been extremely important there being no less than 28 kinds of nickel in common use in the automotive industry today. Here again is an excellent example of the use of a new metal which has increased dependability, reduced dead weight and generally improved the efficiency of both engine and chassis in scores of important ways.

This use of new metals and materials has permitted the use of stronger, more high-powered motors. Formerly the peak motor was 60 horsepower in the majority of units. This meant that in order to get sufficient power the motor had to be geared "down" with a heavy loss in road speed.

Costs of operation are affected because better cylinder heads, better manifolding, better carburetion permit more power per square inch. Thus modern trucking equipment appears to be at least one-third less costly to operate than similar equipment of a few years ago. And this cost of operation is more than matched by reduced cost of original units, as, for example, the fact that equipment for heavier work which would have sold for over $3,000 in 1929 can be purchased today for under $2,000.

A recent test drive, for example, on a seven-ton pay load indicated an actual gasoline consumption of 12 miles to the gallon and the addition of only one pint of oil during the entire run. A similar test on a half-ton panel job with a half-ton pay load, averaged 19.77 miles to the gallon, for a total operating cost of $16.16 or less than 1 1/3 cents per mile.

* * *

Highways and Merchandising

APART from the tremendous strides in new truck construction there are important other factors which have made modern trucking even more significant.

For one thing the change in modern merchandising methods whereby business lives "off the shelf" has necessitated a demand for different types of bodies, and for more and faster deliveries. Thus the average life of a truck today is but five years compared with seven years a short time ago. This indicates the increasing business tempo necessitating greater mileage, heavier loads, and more wear and tear on trucking units than ever before.

Add to this the fact that in two provinces alone, namely, Ontario and Quebec, almost $30 millions will be spent for new highways in 1937.

This rapid increase in Canada's highway "plant" has greatly extended the usefulness of the truck in modern business. Yet this extension is only an indication of what is ahead in the years that are to come. It does indicate clearly, however, the need for modern trucking if modern business is to take advantage of these important aids to better business and better transportation facilities.

Modernization is a major factor in the forward march of Canadian business The following firms and institutions have made possible this constructive series of articles to indicate in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canada:

INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED
Nickel — Inconel — Monel Metal

CANADIAN INGERSOLL-RAND COMPANY LIMITED
"Compressed Air Tools, Appliances and Processes lower costs and increase production."
Air Compressors—Pneumatic Tools—Vacuum Pumps—Centrifugal Pumps—Air Hoists.

MASSEY-HARRIS CO. LTD.
"Builders of Good Farm Implements"

INTERNATIONAL FIBRE BOARD LIMITED
Montreal Ottawa Toronto
Ten-Test Insulating Wall Board
Insulates, Decorates, Quiets Noise

NATIONAL CASH REGISTER COMPANY OF CANADA LIMITED
National Cash Registers, Accounting Machines, Check-writing and Signing Machines and Correct Posture Chairs.

THE ROBERT SIMPSON COMPANY LIMITED
"You'll enjoy shopping at Simpson's"

NATIONAL STEEL CAR CORPORATION LIMITED
Hamilton — Montreal
"Specialists in Transportation Equipment"

UNITED STEEL CORPORATION
Modern Power Transmission Machinery
Dependable Conveying and Elevating Equipment

ANGLIN NORCROSS CORPORATION LIMITED
Montreal Toronto
"Building Construction"

THE T. EATON COMPANY LIMITED
"It pays to shop at Eaton's"

CANADIAN AIRWAYS LIMITED
Radio — Transport — Survey
Air bases throughout Canada

CANADIAN INDUSTRIES LIMITED
"Cellophane" Division
"Cellophane" the modern packaging medium

BELL TELEPHONE COMPANY OF CANADA
"Continuous improvement in telephone service has made Canadians the world's greatest users"

J. J. GIBBONS LIMITED
Advertising Agents
Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver
"Gibbons knows Canada"

CANADIAN AUTOMOBILE CHAMBER OF COMMERCE comprising:
Chrysler Corporation of Canada Limited
Chrysler, De Soto, Dodge and Plymouth Automobiles
Dodge and Fargo Motor Trucks
General Motors of Canada Limited
Chevrolet, Pontiac, Oldsmobile, Buick, La Salle and Cadillac Automobiles
Chevrolet and G.M.C. Motor Trucks
Hudson Motors of Canada Limited
Hudson and Terraplane Automobiles
International Harvester Co. of Canada Ltd.
International Motor Trucks

How Much Will It Carry?

Truck Buyers Demand Largest Possible Pay Load and Manufacturers Give This and More

While a superficial change in a fender may make the ordinary passenger automobile obsolete, such a thing has little to do with the life of the commercial vehicle. Here efficiency is the controlling factor. The buyer wants a machine to transport goods economically and so long as it performs this service, it will be used.

Styles, except in the limited field where they can be of advertising value, get small consideration. Buyers of trucks are primarily interested in:

1 Payload.
2 Speed.
3 Safety.
4 Comfort of driver.
5 Ease of loading and unloading.
6 Adaptability of body and chassis in relation to loads to be handled.
7 Special gears to take full loads through bad spots in road.
8 Economy.

Payload Dominates

Aside from the first mentioned item there is no attempt in listing the other requirements to put them in order of importance. Payload, however, is undoubtedly the most potent factor in the minds of the average truck buyer. This point more than any other has influenced the development of commercial vehicles in recent years. It has been responsible for more powerful engines, infinitely stronger, but at the same time lighter frames, shorter engines, but a longer and lower chassis. It has made the truck of five, four and even two years ago obsolete.

Overloading Responsible

"Overloading the older trucks is the main reason for the stronger and more powerful trucks of today," one motor official explained the recent development to The Financial Post. "We found that customers would purchase a two-ton truck and immediately load it with three and four tons of merchandise. Under such conditions, breakdowns were inevitable and servicing costs began to mount to unreasonable proportions. The various provincial governments with their licensing regulations, have been of little practical assistance. Though loads are supposed to be limited there have been flagrant violations and to save ourselves we have been forced to build two and three-ton trucks that we know are going to be called upon to carry much more. Keen competition between transport companies and between firms using large fleets of trucks have aggravated the situation. To cut hauling costs to the minimum these companies almost invariably load their vehicles to the limit."

Speed and Safety

Speed, in getaway and in long hauls, of course, is of obvious importance. With present day hand-to-mouth buying the merchant in some distant town leaves off ordering until the last minute and then he expects delivery within a few hours of the telephone order.

With this increased speed and heavier modern traffic Government regulations in regard to safety have been tightened. Efforts of this kind have resulted in bigger and more efficient brakes, limits on overall length of trucks and buses and better vision for the driver. Improvement in head lights and the addition of certain special rear lights are also included in this category.

Driver Comfort

Certain cynical critics to the contrary, the comfort of the truck driver is taken into consideration by the builder of commercial vehicles. One cannot drive the ordinary passenger car all day long unless one has a comfortable position and steering wheel and gears are within convenient reach.

With a truck the same conditions apply to even a greater degree because here also heavy goods must be loaded and unloaded, dense traffic is encountered and usually a much larger vehicle is to be handled. To ease the lot of the driver, cabs have been made more comfortable. Today they are better insulated, better upholstered and springed and windshields are equipped with wipers and anti-frosting devices. In certain house to house delivery vehicles, seats are swivelled so that the driver can get in and out quickly, and in big long distance transports there is far more leg room than there used to be.

Special Jobs Predominate

Whereas a few years ago all trucks looked alike, that is not so of trucks that now roll off the assembly line. Nearly all jobs are made to order.

For light but bulky goods such as biscuits, household and other furniture, packaged foods, etc., moderate sized engines, but very large covered bodies are necessary; for oils, gasolines and other liquids there are tank bodies; for coal, ore and cement and other heavy materials, heavy bodies and big engines; for milk something else again and another body for livestock. Each is a special job with engine, speed, brakes, gears and body specially assembled to handle that particular job, both as regards loading and unloading and the actual transport.

Special Gears

Under special requirements, too, will come special gears. Commercial vehicles, unlike the passenger type, usually move within limited spheres. Many delivery trucks never wander a hundred yards out of definite zones. Thousands of them will never leave the city pavements. Such will never be off the best of roads and never have to tackle even a steep bill. But there will be others whose job may be confined to hauling logs in the bush, or grain from a farm, or carrying ore, coal or construction materials. They have to traverse a hundred yards or a couple of miles of the worst sort of road before they hit the pavement. Obviously if the load is not going to be cut in two to enable them to pass the bad stretches, they will have to be equipped with special gears and tires. And they are. With a modern truck built for this sort of hauling, extra low gears and heavy gripping tires will carry full loads in and out of farm, mine or bush or over mud to a construction job and then the long haul on the pavement begins, other gears and the same tires take the load at full speed the remainder of the trip.

Economy

Sooner or later in any interview with a potential truck buyer the question of economy is bound to arise. Generally speaking, of course, this is also in the background when pay load is being discussed but beyond there is a narrower interpretation that must also be considered. Like the passenger car buyer the man who purchases trucks is also interested in miles per gallon. Fuel bills are important but on the same plane are also costs of oil consumed and maintenance charges. A break down of a passenger vehicle usually involves no more than inconvenience and possibly a postponed drive, but when a big transport fails to reach its goal there is real financial loss as well—idle driver, disappointed customers and possibly depreciation to perishable goods.

B.A. Oil Nets $1.10 a Share From U.S.A.

President A. L. Ellsworth Reveals Details of Earnings

TOTAL $2.05 A SHARE

Profits of British American Oil Producing Co., American subsidiary of British American Oil Co., amounted to $1.10 a share on the stock of the parent company in 1936. This statement by A. L. Ellsworth, B. A. Oil president, was one of the highlights at the recent annual meeting.

Mr. Ellsworth outlined the profit and loss accounts of the American subsidiary for 1936. He also stated that the lawsuit over leases in the Oklahoma city field, if decided adversely to the company, would cost less than five cents a share annually on the parent firm's stock compared with last year's earnings of $1.10 a share from U.S. operations.

Total $2.05 a Share

B. A. Oil showed earnings of 95 cents a share from Canadian operations in 1936, so total earnings amounted $2.05 a share.

A second quarterly dividend of 25 cents a share has been declared payable July 2. This maintains a regular annual rate of $1 a share. Last year, payments were at a rate of 80 cents annually with a bonus of 20 cents a share at the end of the year.

George A. Dobbie, president of Newlands & Co. and of Stauffer-Dobbie Ltd., Galt, was elected to the B. A. Oil board at the meeting. Mr. Dobbie is vice-president of the Dominion Life Assurance Co. and of Gypsum, Lime & Alabastine Canada Ltd. He is a director of Mercury Mills Ltd., Cockshutt Plow Co., United Corporations Ltd., Waterloo Trust & Savings Co. and other firms.

The profit and loss statement for U.S. operations, as outlined by Mr. Ellsworth, is as follows:

B. A. Oil Profits in U. S. A.

	$
Gross earnings:	
Oil and gas	5,333,469
Pipe lines	542,957
Commissions on sales	69,583
Sundry	82,148
Gross total	6,028,157
Less: Lease expenses	663,999
Pipe line expenses	121,975
Operating, admin. costs	613,974
Operating income	4,628,209
Discount on purchases	40,500
	4,663,709
Less: Interest	*149,505
Income taxes	243,441
Net income	4,275,763
Less: reserves:	
Depletion and development	904,024
Depreciation	463,720
Amortization of leases	30,719
Net profit	†2,877,300

*Paid mostly to Canadian company.
†Of which Canadian company drew $1,407,000 as dividends.

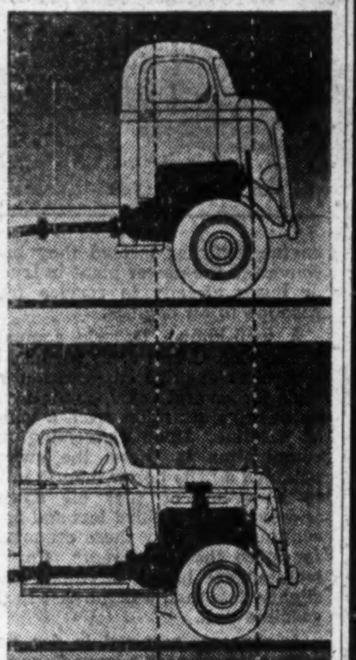
Investment Dealers To Meet at Lucerne

The Investment Dealers' Association of Canada will hold its 21st annual meeting at the Seigniory Club, Lucerne-in-Quebec, on June 17, 18 and 19. Last year's meeting was held at Jasper Park Lodge, Alberta.

Ralph D. Baker, of James Richardson & Sons, Winnipeg, president of the association, will conduct the annual meeting. Mr. Baker is also president of the Winnipeg Stock Exchange.

Reports of developments in the investment field from coast to coast in Canada will be made at the annual meeting by vice-presidents of the association.

Cab Over Engine Trucks Claim Many Advantages



Government regulations covering the overall length of trucks and trailers, the limit is usually 50 feet, and the demand for higher percentage of pay loads have combined to produce the new cab over engine type of truck. Eventually, automotive engineers declare, the bulk of the trucks manufactured will be of this design.

The accompanying cut illustrates the possible saving. Cab and engine in the new type occupy little more room than the engine alone in the conventional design, leaving almost three feet more loading space or permitting use of longer trailer.

Drivers of the new type trucks have better vision of the road ahead, they have more leg room and there is no danger from engine fumes.

In addition to the greater loading space, too, such trucks are more easily handled in heavy traffic and on narrow roads. They will turn in about two thirds the space needed by the ordinary type. Practically all the bigger companies are now turning out these cab forward or cab and engine types for special uses.

Tank Trucks Reduce Risks Carrying Gas

Special Valves Ease Pressure and Protect Against Fire

Specialization in the trucking field is well illustrated in the matter of transporting oils and gasoline. Here the builders were up against the difficult problem of carrying large quantities of volatile and inflammable materials long distances. Something had to be designed that would load and unload quickly and at the same time would move swiftly and without danger to other traffic.

Government regulations were drastic and non-elastic. The latter called for definite weight limits on each axle and no more than 500 gallons in a single tank. Multiple tanks and trailers designed to make the best possible use of the various government limits were the answer. Some of these run up to five axles four of which carry double wheels or a total of 18 wheels for a 25 ton gross weight unit capable of carrying 3,000 gallons.

Safety Tanks

To get the largest possible pay load, aluminum and light rust resisting wheels were used in the tanks. These are equipped with special valves which automatically release pressure when high summer temperatures expand the gasoline carried. If by any chance excessive heat is encountered, or if the truck runs into a fire, there are additional valves which gradually release the dangerous load. Liquid gasoline will not burn. It is the vapor which produces fire or explosion. A brass screen in the valve prevents any fire from spreading from the burning valve into the tank.

Tested With Fire

A special tank, equipped with the safety valves mentioned, was tested recently in a deliberately set fire. All around the loaded tank was straw soaked in gasoline. A match was applied to the tinder.

As the temperature of the enclosed gasoline rose, the first valve opened and the escaping gas above the screen in the valve ignited. The temperature continued to rise and a second valve opened and another blazing torch appeared. Finally a third valve, secured by solder that melts at a certain temperature, opened and the rest of the gasoline turning to vapor escaped and ignited. But there was no explosion and the tank was practically undamaged.

It is claimed that soundly built tanks so equipped with safety valves have been hit by trains and street cars with no explosion. Damage from burning or exploding gasoline trucks in recent years, it is also stated, has been traced to makeshift demountable tanks. In most provinces the law now prohibits carrying more than a few hundred gallons of gasoline in demountable tanks. Other regulations too, govern the size and strength of the metal to be used in the tanks.

Livestock Report

Gains and losses were about even in the receipts of livestock at the eight leading stock yards of Canada in January and February (compared with the same two months of last year), as reported by the Union Stock Yards of Toronto. Receipts were as follows: cattle, 153,052 head (compared with 161,167 head in the same period of last year), calves 48,696 (39,315); hogs, 235,661 (218,333); sheep, 95,440 (98,720); horses, 14,080 (14,813).

Traffic Through Saint John Shows Drop This Year

From Our Own Correspondent

MONTREAL.—Cargo tonnage handled from the Port of Saint John last month totalled 261,554 tons, made up of 75,006 tons of imports and 186,548 tons of exports. This represents a slight decline both in imports and exports as compared with the same month last year.

For the first quarter of 1937, 249,753 tons of imports and 552,006 tons of exports, making a total of 801,759 tons of cargo were handled at the port. This contrasts with 219,434 tons of imports and 558,433 tons of exports for the same period a year ago.

Elect Barney Balaban To Famous Players Board

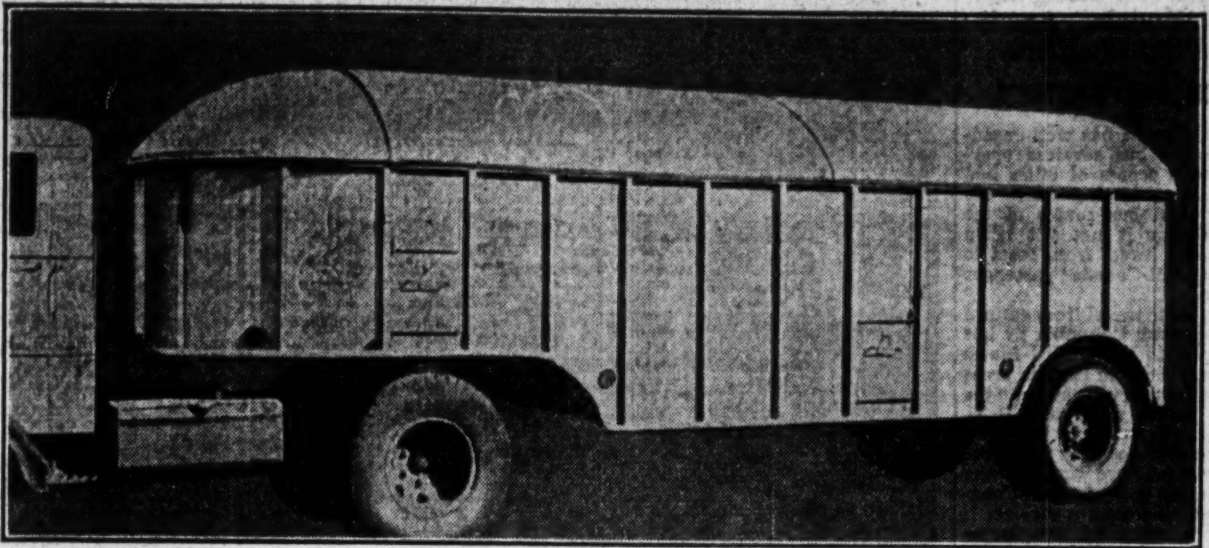
Barney Balaban, New York, has been elected a director of Famous Players Canadian Corp., replacing Adolph Zukor who has resigned as chairman of the board.

Other directors were re-elected at the recent annual meeting.

TRUCK HAULS SLEIGHS

Here is a heavy duty Chevrolet truck equipped with body to haul logs and attached to sleighs hauling more logs. These trucks have revolutionized lumbering in northern Canada and handle loads up to 50 tons gross weight.

Bonus Load... is that extra margin of load that is ALL profit!



ALUMINUM truck and trailer bodies are free from unnecessary dead weight

Bonus Load costs nothing to haul ... it rides in place of needless ballast. The savings can easily pay the additional cost of lightweight aluminum construction and return a handsome dividend on the investment in the first year of operation.

The effect on the hauling cost per hundred pounds is obvious.

Big semi-trailers, free from all unnecessary dead weight, are made of Aluminum so they can carry that extra margin of load that represents profit. Aluminum comes in special shapes and forms to enable your body builder to meet your specifications at reasonable cost.

Write the Company at 158 Sterling Road, Toronto, for full particulars.

ALUMINUM COMPANY OF CANADA LIMITED
TORONTO AND MONTREAL

Aluminum The Modern, Light Weight Corrosion-Resisting Metal

SMARTER APPEARANCE- FINER PERFORMANCE
DOWNTOWN Florists

-Plus More Economy!

Florists, confectioners, plumbers and grocerymen report that delivery costs are sharply down and efficiency is steeply up with their new Ford V-8 equipment. New refinements for 1937 plus proved Ford V-8 quality features set advanced standards of V-8 economy and performance. Ford V-8 Commercial Models offer you a choice of the improved 85-horsepower or the new 60-horsepower V-8 engines . . . new Easy-Action Safety Brakes, new interleaf spring lubrication . . . torque-tube and radius-rod drive . . . straddle-mounted pinion and many other features. The public approves the distinctive smartness of the Sedan Delivery shown above. See your dealer about an "on-the-job" test of the Ford V-8 Commercial Model or Truck your individual conditions call for.

CENTRAL PURE FOODS Limited

Above: Ford V-8 De Luxe Delivery—New steel top and new front-end give this panel body distinction. Large 122 cu. ft. load space makes it economical for bulky merchandise.

New FORD V-8 COMMERCIAL MODELS and 2-Ton & 1½-Ton Trucks

Motor Coaches Of Urban Type Lead in Canada

"Sleeper" and Long Distance Models Await Trans-Canada Route

SPEED AND SAFETY

Although Canada has well-organized passenger bus services operating between scores of cities and towns, and connecting with the transcontinental bus routes of the U. S., the time is not yet when Canadians can travel from coast to coast via an "all-Canada" passenger coach line.

It is possible to travel from eastern Quebec to British Columbia by bus but detours into the United States are necessary both in eastern areas and from Alberta southward into the U. S. and thence north into B. C. Geographical obstacles in the West and undeveloped forest areas in the Maritime areas are among the obstacles in the way of an all-Canadian transcontinental bus service.

With completion of the trans-Canada highway one of the major obstacles will be removed and it is possible that the various more or less local bus networks will be linked with the new highway to such an extent that an all-Canadian route will be available. The advantages of such a route are obvious, from a scenic, tourist and pleasure standpoint, since bus routes usually follow the most attractive features of the country, pass through the centre of urban areas in giving "door to door" service, and permit stop-overs at points of holiday interest to a possibly greater extent than is the case with rail routes.

Bus Travel in Ontario

When and if the transcontinental bus route becomes a reality in Canada it will have the existing nucleus of a number of bus networks. Ontario is better served than other areas in Canada, with lines extending eastward into Quebec as far as Quebec City and northward to North Bay, but to reach the Maritime areas it is necessary to travel southward via Boston, a route that necessitates many extra miles in comparison with the water route down the St. Lawrence.

Similarly, the absence of regular passenger bus services around the head of the Great Lakes means that Canadians must go many miles out of the way to reach western Canada by bus, although bus routes west from Winnipeg are now being developed within the western provinces and plans are under consideration for bridging the gap between Alberta and the Pacific coast via Canadian territory.

Sleeper type bus travel, using equipment similar to that of the large U. S. transcontinental lines is another possibility of the future, dependent on completion of the trans-Canada highway but only if these long distance passenger hauls prove possible on a profitable basis. Much of the space utilized for equipment in the large transcontinental coaches of the U. S. is necessarily lost from the standpoint of revenue from intermediate fares and there is a question in the minds of some Canadian bus experts whether coast to coast bus service in Canada would be made to pay. The difference in population between Canada and the U. S. is one important factor, and another is the co-ordination of bus services within the various provinces in relation to transcontinental routes.

To date the most important development of short haul bus services is in the form of feeder lines in the larger Canadian cities. Typical of the advanced development in this connection are the new coaches being purchased by municipal transit bodies to augment existing tram services in response to the growing demand for "door to door" service in areas which cannot be economically served by tram lines. Toronto is an outstanding example of the purpose served by feeder bus lines, the Toronto Transportation recently having added a fleet of some 27 or more low floor Twin Coaches. Extremely economical, and equipped with rear-end motors, these lightweight buses are constructed as a unit, the chassis and body being one structure. They have extremely quick "pick-up" and their braking equipment can stop the bus in a shorter distance than most passenger cars.

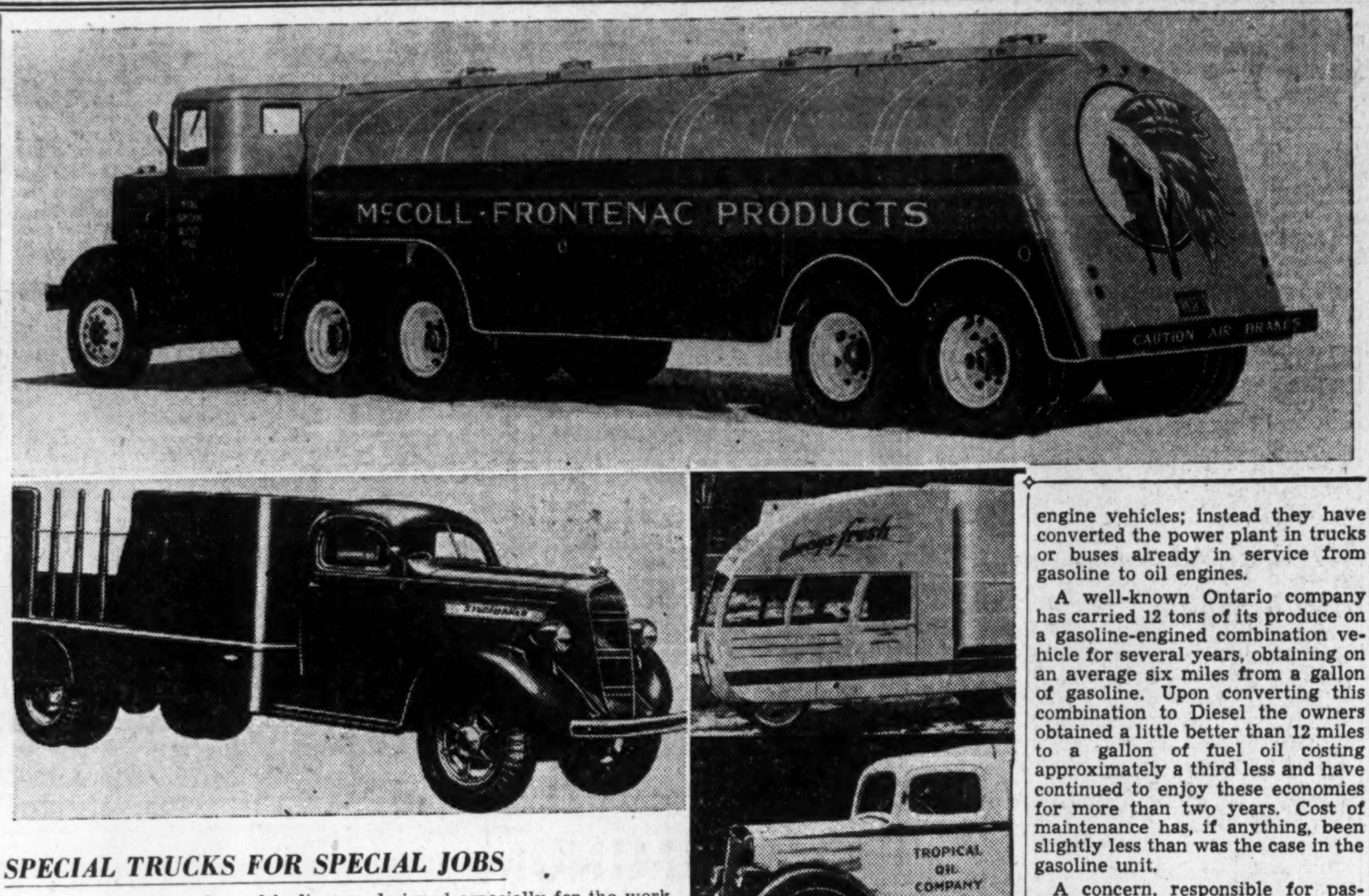
It is in this field that development of modern bus service has advanced to its greatest point to date, but highway bus transport is also being modernized by the leading passenger coach companies in eastern and western Canada, primarily with the object of great comfort for long distance travel.

These will, however, contain many of the features of the bus designed for urban use, with the difference that they will naturally be larger and possibly of heavier construction. Bus types recently purchased for use in Toronto and London, Ont., carry about 23 passengers and in the case of London's new buses, are equipped with Diesel motors. The usual design of the new type of bus is the front entrance, side exit, the latter equipped for treadle operation, permitting the passenger's weight to open the exit door after the coach has come to a standstill.

New type seats used in Canadian passenger buses are showing a trend toward the semi-bucket type with chrome-plated grab rails, and upholstered in brown leather. In nearly all types there is a predominant trend toward rear-engine installations which not only eliminate unpleasant engine exhaust odors but add materially to the seating capacity and safety features of operation.

New Ford Type

The new Ford Transit Bus is also revolutionizing urban transportation operation in Canadian cities. The design of the new unit, which seats 25 passengers, is the result of approximately 20 million miles of successful operation of Ford bus equipment, and embodies many advanced engineering features. Wide front entrance, rear exit, and aisles, low steps and adequate grab rails and stanchions speed loading and unloading. A heating, ventilating and air-filtering system circulates air without draft. The body is insulated against heat, cold and noise. The unit is powered with a Ford V-8 engine.



SPECIAL TRUCKS FOR SPECIAL JOBS

Modern motor trucks and bodies are designed especially for the work to be handled. At top is a huge 40-foot 25-ton outfit for the wholesale handling of oil and gas. The tractor is a Leyland Diesel with a Fruehauf trailer. Tank (3,000 gallons) and body were built by Metallic Roofing Co. in Toronto. At lower right is another 1,000-gallon tank job by the same company on a Ford truck. This was one unit of an export shipment to International Petroleum's subsidiary in Colombia, South America. Middle right is another Ford carrying a huge but light body for hauling biscuits and confectionery and incidentally advertising. Left, a new Studebaker with a stake body specially designed for farm produce and general freight.

A Case for the Diesel

Authority Presents Argument for Use of Oil Engine Trucks on Canadian Highways—Fuel Costs Less, Maintenance Cost Equal, He Contends

By WILLIAM EASON

Because Canada competes in a world market it is essential that she uses modern, as well as economical, means of producing goods and services. Transport, especially in Canada, plays a vital part in the cost of production of almost all goods and services and since the highway has come to be used more and more in connection with the economic and productive life of the nation, that important tool of industry must be used at the least possible cost consistent with efficiency.

Transport is a cost factor in production of Canadian goods and services, a large proportion of which have to take their chance in a world market. For many years European countries, where Canada markets her goods, have used Diesel-engined commercial vehicles for both goods and passengers. These vehicles have been used with such success that countries like the United Kingdom, Germany and Italy have reached the stage where about 75% of their commercial vehicles are powered with Diesel engines, with the result that the cost of transport in those countries is by comparison considerably lower than in Canada. Canada, however, has begun to grasp the effect the Diesel-engined vehicle has upon the cost of transport and during recent years a number of such vehicles, using low price heavy distillate fuel, have been acquired for service from the Atlantic to the Pacific.

Although these vehicles are known as Diesel trucks or buses, it is more accurate to describe them as being fitted with compression ignition oil engines.

In 1890 Akroyd Stuart, an Englishman, produced his new airless injection cycle. In 1891 his patent rights were sold to Hornsby's in England who manufactured and sold the first of this type of engine. It was not until 1897 that Dr Diesel produced his first commercially successful engine in the Augsberg works. The airless injection engine therefore is definitely British in origin.

Common in Europe

The compression ignition oil engine is commonplace enough in Europe but Canada has only recently got on speaking terms with it. It may well be asked why Canada, or indeed the United States, is so far behind Europe in adopting the compression ignition oil engine. There are several reasons. It is characteristic of the country that many are reluctant to spend years in patient development of an engine, the marketability of which was obscure at the outset. In the new world people are busily occupied today with something which can be sold tomorrow; that is one aspect. Another was the comparative low price of gasoline in the United States as a basic fuel. Finally, when engineers turned their attention to the design of the high-speed compression ignition oil engine they found no royal road to success and realize that it will probably take as long for them to reach the high level of European design as it did engineers on that side of the Atlantic.

It is significant, however, that the most successful high-speed oil engine in the United Kingdom, the one now most commonly used in Canada, was designed by a Canadian in Montreal—taken to England about 1924, underwent development for a year or so and was finally marketed about 1929 That engine is the Leyland direct-injection oil engine. Last year over 235,000 h.p. of these engines was produced and sold in the United Kingdom, Empire and foreign countries. American manufacturers, however, show signs of catching up with European development of the high-speed oil engine for road vehicles and some have begun to make their appearance, while quite sizeable fields of such vehicles have been accumulated in the western States.

The oil engine vehicle has forged ahead in Europe because economy over its gasoline contemporary gives approximately twice the miles per gallon of fuel used and uses fuel costing approximately one-third less than gasoline. The absence of carbureter and electrical ignition system seems to account for greater overall reliability on the road.

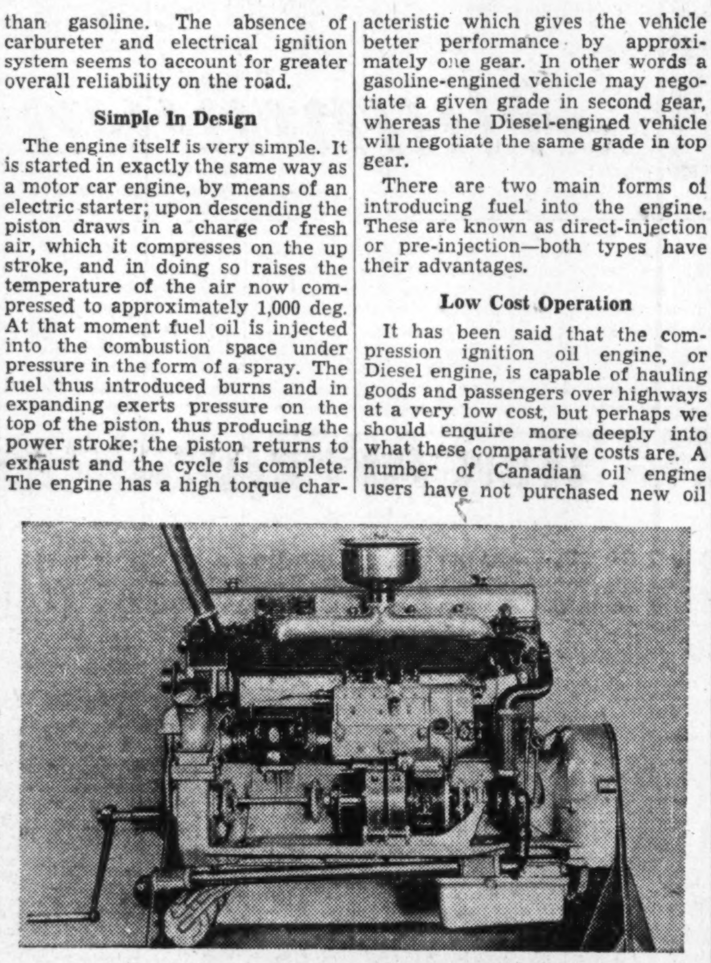
Simple In Design

The engine itself is very simple. It is started in exactly the same way as a motor car engine, by means of an electric starter; upon descending the piston draws in a charge of fresh air, which it compresses on the up stroke, and in doing so raises the temperature of the air now compressed to approximately 1,000 deg. At that moment fuel oil is injected into the combustion space under pressure in the form of a spray. The fuel thus introduced burns and in expanding exerts pressure on the top of the piston, thus producing the power stroke; the piston returns to exhaust and the cycle is complete. The engine has a high torque characteristic which gives the vehicle better performance by approximately one gear. In other words a gasoline-engined vehicle may negotiate a given grade in second gear, whereas the Diesel-engined vehicle will negotiate the same grade in top gear.

There are two main forms of introducing fuel into the engine. These are known as direct-injection or pre-injection—both types have their advantages.

Low Cost Operation

It has been said that the compression ignition oil engine, or Diesel engine, is capable of hauling goods and passengers over highways at a very low cost, but perhaps we should enquire more deeply into what these comparative costs are. A number of Canadian oil engine users have not purchased new oil engine vehicles; instead they have converted the power plant in trucks or buses already in service from gasoline to oil engines.



COMPRESSION IGNITION ENGINE

A well-known Ontario company has carried 12 tons of its produce on a gasoline-engined combination vehicle for several years, obtaining on an average six miles from a gallon of gasoline. Upon converting this combination to Diesel the owners obtained a little better than 12 miles to a gallon of fuel oil costing approximately a third less and have continued to enjoy these economies for more than two years. Cost of maintenance has, if anything, been slightly less than was the case in the gasoline unit.

A concern, responsible for passenger transport in a large Canadian city, operates 29-passenger gasoline-engined buses; these buses gave about five miles to the gallon of gasoline. A few years ago these same buses were converted to Diesel engines and the fuel consumption was at once modified to between 10 and 12 miles to the gallon of fuel oil. That state of affairs has remained constant with no increased cost of maintenance. These are only two of many typical examples of what the Diesel engine can do for transport.

Proper Medium

When the volume of goods to be transported is fairly constant and the distance such that the equipment will run about 40,000 or more miles per annum, the oil engine is an economical medium to use. Vehicle manufacturers are in a position to supply the Diesel-engined vehicle at a comparatively small premium over and above the gasoline price. One well-known British tractor chassis only costs $720 more when the oil engine is fitted and if, as may be the case, a saving in fuel costs of 2-1/3 cents per mile is possible, it should not take long to earn the premium.

The compression ignition engine is governed in the matter of revolutions per minute; this speed is set by the manufacturer and providing the injection pump is not interfered with, remains constant. In some cases the maximum speed of the engine, say 1,950 r.p.m., gives satisfactory vehicle road speed while in others, where higher road speeds are required, the incorporation of an overdrive in the gearbox or the fitting of a high rear axle ratio solves that problem.

For Lumbering

Oil engine vehicles are eminently suited to areas without paved highways. For instance, there is the field of lumber. A large firm in eastern Canada used gasoline-engined tractors hauling sleighs loaded with logs over ice roads. Approximately 90 gallons of gasoline were consumed in a 24-hour shift on this work. About three years ago the firm put in a fleet of Diesel-engined tractors to perform that same duty and the daily fuel consumption was reduced to approximately 30 gallons.

Another phase of the uses to which the high-speed Diesel is adapted is that for portable or semi-portable power units for industrial purposes. Wherever a gasoline engine can or has been applied it is feasible and definitely more economical to use an oil engine.

Since the weight of the modern high-speed Diesel is about the same as a gasoline engine (the engine illustrated weighs only 100 lb. more than its gasoline sister) it is eminently suitable for inaccessible points in the north country where the weight factor is important. The handling of these units by airplane transport is easily accomplished and mines in the far north can obtain power from these engines at considerably greater economy than with the gasoline engine. The high speed oil engine is being applied to the operation of air compressors, electric generators, pumping and hoisting equipment, in fact all those power requirements necessary to the prospective mining properties.

Canadian Rail Makes Payment

Holders of Mortgage Bonds and Debentures Get Final Dividend

Final payment is being made on the bonds and debentures of Canadian Rail and Harbor Terminals. The payment amounts to 8.634% for holders of 7% general mortgage bonds, due 1945, and 7.88% on the 7% debentures, due 1956. Payment, which is not subject to income tax being a return of capital, will be made by the Montreal Trust Co., Toronto, on surrender of securities.

This marks the final step in winding up Canadian Rail and Harbor Terminals which built a large terminal warehouse on the Toronto waterfront and operated it until the property was sold by judicial sale nearly a year ago. In July, 1936, payment of a net amount of 61.84 cents on the dollar was made to holders of 6½% first mortgage bonds out of the proceeds from the sale. An additional and final payment of 2.729 cents on the dollar was made in Feb., 1937, to first mortgage bondholders, bringing total received to 64.569% of face value.

J. E. Woods Director of Home Investment Assn.

J. Elmer Woods, vice-president and general manager of Oldfield, Kirby & Gardner, Winnipeg real estate firm, has been elected a director of Home Investment & Savings Association. He also becomes a director of Home Securities Ltd., subsidiary of the association.

Mr. Woods is a director of the Manitoba Farm Loans Association and of National Tent & Awning Co. and vice-president of Economic Trust Co.

Radio Patents Are Unaffected

Amending anti-combine legislation introduced at Ottawa by Hon. Norman Rogers, minister of labor, will not affect the status of the Canadian radio patent pool, The Financial Post is informed by a spokesman for the pool.

The patent pool, it is held, is only protecting its own property through Canadian patents on radios, and it is claimed that without this protection the radio industry in Canada would cease to exist.

Amendments to patent legislation would be the only means of permitting Canadian radio dealers to import foreign radio sets for sale here, it is claimed. Under existing conditions radio sets may be imported by individuals but not for resale to the public.

Radio dealers admit that without the present patent protection dealers in Canada might import low-priced, mass-produced radio sets and undersell the Canadian retail radio trade.

Canadian Radio Patents Ltd., the radio patent pool of five radio companies, was named by Hon. H. H. Stevens at Ottawa last week in discussion of anti-combine laws. It was claimed by Hon. C. H. Cahan that an organization such as that described by Mr. Stevens would be illegal under the amended Combines Investigation Act.

St. Lawrence Alloys Starts Work on Addition

From Our Own Correspondent

MONTREAL.—St. Lawrence Alloys, which established a plant at Beauharnois a short time ago, has started work on enlargement of the plant. Five new furnaces will be installed and the task will employ between 70 and 100 men.

The increase in activities has benefitted Beauharnois Light, Heat and Power. Deliveries of both primary and secondary power to the St. Lawrence Alloys now total around 30,000 h.p.

Maple Sugar Output

Estimated maple sugar production in New Brunswick last year is given at 131,512 pounds and of syrup, 11,203 gallons. The provincial Department of Agriculture reports that producers continue their policy of promoting improved methods of making and packing maple products.

Quints Acquire Big Vocabulary

Advertising Indicates Remarkable Command of Language

At the age of two years and ten months the Dionne quintuplets are ostensibly finished advertising writers. Such is the conclusion of P. H. Erbes, Jr., writing in the current issue of Printers' Ink.

Instead of the limited vocabulary of 15 words each in French estimated recently by Dr. Allan Dafoe, Mr. Erbes deduces that they command 141 words, 117 in English and 24 in French. Basing his conclusions on the amount of direct quoted testimonial advertising that has appeared in recent Canadian and American periodicals featuring syrup and soap, he is forced to the conclusion that either Dr. Dafoe cannot hear very well or cannot count.

Mr. Erbes urged establishment of a Dionne Institute which would serve as a clearing house for all information and public statements concerning the quintuplets. In the present state of unregulated competition among Dionne clients, concludes Mr. Erbes, spring pictures are being published in January.

Investment Foundation Share Equity Scores Gain

From Our Own Correspondent

MONTREAL.—Investment Foundation has, in addition to the regular quarterly dividend of 50 cents a share (being at the rate of 4% per annum) has declared a further dividend of 75 cents a share on account of arrears.

In a letter to shareholders, the management states that, based on current prices at Mar. 31, 1937, the preferred stock, which has a par value of $50, had a liquidating value of $65.75; common stock approximately $17.75 a share; and the units, approximately $73.50.

At the end of 1936 the equity back of the common stock amounted to $15.46, as compared with $11.06 a share on Sept. 30, and $8.58 a share on June 30, 1936.

Placer at Cariboo

Springlike weather is attracting placer miners back to the Cariboo country, and considerable hauling has been done of hydraulic equipment and supplies. Consolidated Gold Alluvials, financed by British capital, expects to have an all-time record in production at its Sanderson and Melvin mines for March.

A LOAD ON A Leyland IS A LOAD OFF YOUR MIND

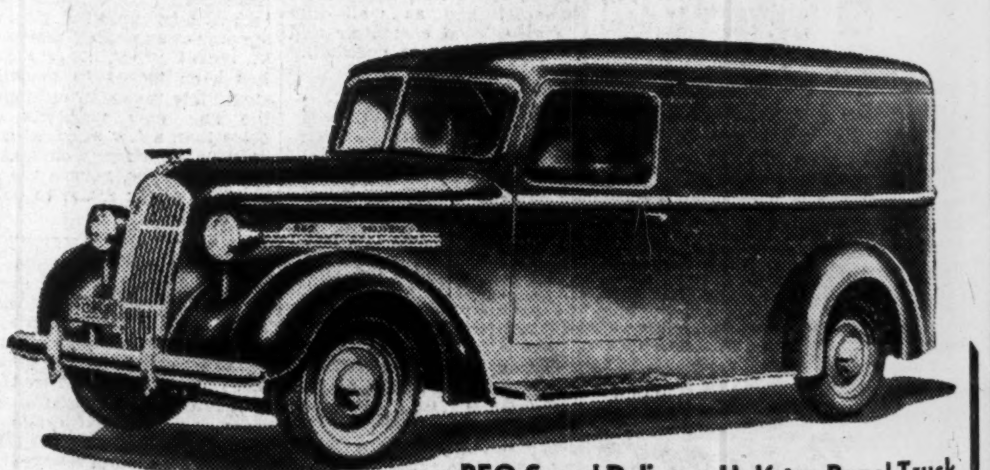
Leyland Motors Ltd
Toronto Montreal Vancouver

IF IT'S A Leyland DIESEL TRUCK IT'S A LOAD OFF YOUR RUNNING COSTS TOO

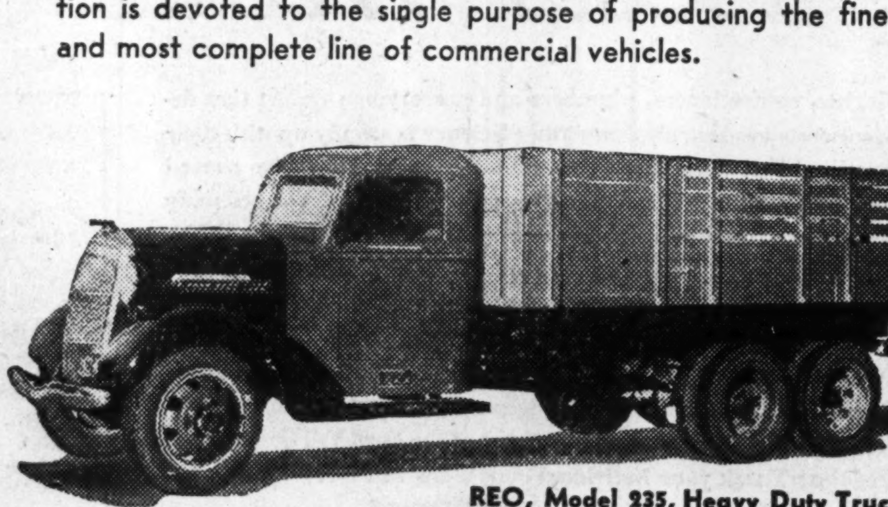
REO quality and efficiency are typified in the new REO TRUCKS

Economical—Dependable—Powerful

Backed by a long, brilliant and successful record of achievement in truck and bus manufacturing, REO concentrates in the field of commercial transportation. Every research, engineering, manufacturing, sales and service facility of this great organization is devoted to the single purpose of producing the finest and most complete line of commercial vehicles.



REO Speed Delivery, Half-ton Panel Truck with REO-built Silver Crown Engine.



REO, Model 235, Heavy Duty Truck featuring six-wheel attachment.

The REO line is complete, ranging from ½-ton Speed Delivery, to the big 4 to 6-ton models in trucks. They are powered by the famous REO-built Silver Crown Engines in the light trucks and the Gold Crown Engines in the Heavy Duty models. REO Safety Buses also feature the Gold Crown Engine.

Before you buy ANY truck compare its specifications with REO

REO MOTOR COMPANY OF CANADA LIMITED, TORONTO (Leaside) CANADA

SPEEDWAGONS REO TRUCKS AND BUSES

Asbestos Corp. Plans New Deal

Consider Scheme to Clear Way For Dividends; Sales Status Outlined

From Our Own Correspondent

MONTREAL.—Financing will be undertaken by Asbestos Corp. to rid the company of the obligation to buy $250,000 of income bonds a year, an obligation which must be met before a dividend can be declared, according to a statement made by R. W. Steele, president, at the annual meeting of shareholders.

During the first quarter of this year Mr. Steele told the shareholders, actual shipments have about equalled those of the first quarter of last year.

"While we may look for increased sales, we must also expect increased costs," he warned. "Practically every commodity used in the mines has advanced in price, including a particular steel of which we use large quantities. Owing to the practice which is universal in this business of selling by annual contract, any betterment from increased prices for asbestos cannot be obtained until after the close of the year.

"All due obligations have now been met with the one exception which was noted by the auditors on the balance sheet—namely the obligation to buy $250,000 of income bonds per year before dividends can be declared. To rid the company of this obligation some financing will be required and the subject is now receiving the careful consideration of your directors."

Nova Scotia Bids For Co-operation

From Our Own Correspondent

MONTREAL. — Privately - owned power utilities in Nova Scotia will be able to take part in the Government's plans for the extension of electrification by the Nova Scotia Power Commission into rural districts.

A bill has been passed by the Provincial Legislature which gives the Commission authority to contract with a public utility to pay part of the cost of serving any rural power extension constructed by the utility.

Provision is made in the Act, however, that the utility would have to obtain not less than an average of three contracts a mile or the equivalent and, further, the Government would have to be satisfied that there would be at least an average of six potential customers a mile in the district to be served.

No contribution would be made by the Government to the utility if the average number of customers per mile was equal to or greater than five.

St. Basile Paper Mill Control Changes Hands

From Our Own Correspondent

MONTREAL.—W. C. Wylie Co. Inc. and associates of Montreal, have acquired the paper mill at St. Basile, Portneuf Co., formerly the property of the Eastern Paper and Pulp Mills Corp. The mill will be put into immediate operation and will give employment to 50 men.

Hon. T. Ahearn Joins Montreal Telegraph Board

From Our Own Correspondent

MONTREAL. — Hon. Thomas Ahearn, of Ottawa, has been elected to fill the vacancy on the Board of Montreal Telegraph Co. caused by the resignation of James B. Paterson, vice-president. Charles F. Sise, of the Bell Telephone Co., a director, has been elected to the office of vice-president.

Company Reports

Can. Co-op. Wool Growers

For the year ended Feb. 28, 1937, Canadian Co-operative Wool Growers Ltd. shows profits little changed from those for 1936. Net profits were equivalent to $2.92 a share on the 11,624 shares of $10 par value outstanding in each year. Dividends were paid at the rate of 5½%, or 55 cents a share.

Income and Surplus Account
Years Ended Feb. 28

	1937	1936
	$	$
Oper. profit	66,901	65,489
Less: Depreciation	3,312	3,309
Executive salaries	15,750	14,000
Directors' fees	2,200	2,300
Legal fees	58	50
Net profit	45,581	45,530
Less: Dividend	6,393	6,393
Surplus for year	39,188	39,137
Add: Prev. surplus	19,362	13,825
Less: Prov. for rebates	21,500	20,100
Gen. reserve	10,000	10,000
Publicity, etc.	......	3,500
Surplus forward	27,050	19,362

Working Capital

	1937	1936
	$	$
Current assets	296,434	267,611
Current liabilities	59,475	24,073
Working capital	236,959	243,538

West Kootenay

West Kootenay Power and Light Co. reports consolidated income in 1936 of over $3.2 millions as compared with about $3 millions in 1935. In addition to the regular dividends on the preferred stock, the company paid a dividend of 10% on the common, all of which is held by the parent company, Consolidated Mining and Smelting Co. of Canada.

Consolidated balance sheet as at Dec. 31, 1936, does not show any material changes from that reported for 1935. Outstanding funded debt now stands at $6.5 millions, a reduction during the year of $149,000. Net working capital stands at nearly $3.6 millions as against $2.4 millions at the close of 1935.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Gross income	3,252,645	3,032,377
Less: Oper. expenses	1,110,688	1,334,533
General exxpenses	134,242	138,273
Bond interest	265,494	301,369
Prem. on interest	3,648	4,138
Debt discount	3,020	34,500
Prem. on bonds	16,905	5,579
Other interest	942	52
Income taxes	452,617	352,106
Net income	1,284,088	861,826
Less: Pfd. dividends	35,000	35,000
Com. dividends	611,200	611,200
Surplus	617,888	215,626

Working Capital

	1936	1935
	$	$
Current assets	4,326,055	3,171,807
Current liabilities	737,058	779,031
Working capital	3,588,997	2,392,776

Geo. Weston Ltd.

In issuing the first quarterly statement published by George Weston Ltd., F. W. St. Lawrence, managing director, states that decreased earnings have been experienced by the bread company due to rapid rise in price of flour, but that economy of operations and higher volume bring earnings up.

Income Statement
Three Months Ended Mar. 31

	1937	1936
	$	$
Net oper. profit	118,264	101,249
Less: Depreciation	27,525	25,052
Net before inc. tax	90,739	76,197

Gatineau Power

Gatineau Power Co. reports an operating profit of about $8.1 millions in 1936, as against over $9.2 millions in the previous year. Other income remained about the same. Revenue received from Ontario Hydro amounted to $3 millions, a drop of $1.5 million from 1935. Sales to affiliated companies and other markets recorded some increase, which enabled the revenue to be maintained on a fairly satisfactory basis in view of the rearrangement of the Ontario Hydro contract. The net income available for interest and depreciation amounted to $6.7 millions as against $7.9 millions in 1935.

Gatineau's balance sheet shows a reduction in outstanding debt. First mortgage bonds declined during the year from over $69.1 to $68.7 millions. The 6% sinking fund debentures were reduced from about $9.6 millions to $8.4 millions, while the series B debentures declined from $7.5 millions to $6.4 millions. Property purchase obligations stood at $201,388 at the end of the year, a decline of about $12,000, while the serial obligation due New Brunswick Electric Power Commission was reduced from $69,111 to $34,555.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Gross revenue	8,115,564	9,309,114
Less: Oper. expense	516,045	560,494
Maintenance	231,768	204,701
Taxes	294,575	245,796
General expense	316,578	293,262
Directors' fees	2,250	991
Bad debts	6,470	4,941
Net income	6,747,876	7,896,472
Less: Bond interest	3,455,346	3,478,216
Debenture interest	1,299,240	1,364,849
Depreciation	646,825	648,552
Bond discount	340,610	345,439
Income tax	6,259	......
Net profit	999,396	2,059,416
Less: Dividends	......	1,500,000
Surplus	999,396	559,416
Add: Prev. surplus	2,362,718	1,803,302
Profit on bonds	75,645	......
Can. Hydro debt.	13,094,224	......
Less: Add deprec.	7,125,500	......
Surplus forward	9,406,484	2,362,718

Working Capital

	1936	1935
	$	$
Current assets	1,128,270	1,518,418
Current liabilities	709,659	1,159,313
Working capital	418,611	359,105

Morrison Brass

Operations of Morrison Brass Corp. showed slight improvement in 1936, operating profit and working capital both increasing. Operating profit amounted to $24,731 as compared with $301 in the previous year.

Sales of the company's own manufactured goods increased by 17.5% during 1936.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating profit	24,731	301
Less: Bond interest	8,277	7,575
Bad debts w/o	8,504	544
Prov. taxes	1,415	......
Prepaid expenses	5,300	......
Sundry expenses	370	......
Net profit	865	*7,818
Add: Prev. deficit	94,630	97,312
1934 s. f. prov. reversed	......	10,500
Deficit forward	93,765	94,630

*Deficit or loss.

Working Capital

	1936	1935
	$	$
Current assets	548,240	542,703
Current liabilities	487,264	533,697
Working capital	61,976	9,006

Can. Marconi

Canadian Marconi Co. reports a total income of $407,877 for 1936. This contrasts with $305,493 the year before. After providing for all charges, there was a surplus of $154,316, as against $88,660 in 1935.

The balance sheet at the end of last year features an increase in accounts receivable from $450,168 to $587,286 and an advance in cash on hand from $80,759 to $282,944. There was no write-off in the value of patent rights, while investments in associated companies remain unchanged.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Gross revenue	407,877	305,493
Less: Depreciation	171,490	164,100
Directors' fees	6,404	7,479
Exec. salaries	39,266	34,743
Legal expense	1,391	3,011
Income tax	35,000	7,500
Surplus	154,316	88,660
Previous surplus	96,600	7,940
Surplus forward	250,916	96,600

Working Capital

	1936	1935
	$	$
Current assets	1,586,080	1,269,909
Current liabilities	199,008	179,648
Working capital	1,387,072	1,090,261

Canadian Oil Companies

Canadian Oil Companies Ltd., Toronto, reports operating profits for 1936 nearly as high as in 1935. Increase of some $106,500 in reserve for depreciation, however, reduced net profits to approximately $6.80 a share for the 8% preferred stock compared with $12.07 a share in 1935. There was a deficit of about 17 cents a share on the common, contrasting with earnings of 57 cents a share in 1935. Maintenance of common dividends at 50 cents a share reduced surplus by some $96,000.

Frank H. Littlefield, president, reports volume of sales for 1936 was about 11½% above that for 1935. He attributes the decline of earnings to increased prices for crude oil, accompanied by lower prices for finished products, and also to increased taxation. As with other oil distributors, the company has had to absorb increased sales tax. The decrease in working capital is attributed largely to an increase in fixed assets. A bank loan of $300,000 is shown, the first since 1931.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating profit	510,869	517,780
Less: Depreciation	307,130	200,666
Bad debts res.	38,199	37,811
Income tax	29,585	38,000
Net profit	135,955	241,303
Less: Pref. dividends	160,000	160,000
Common dividends	71,882	71,882
Surplus for year	*95,927	9,421
Add: Prev. surplus	909,843	902,173
Less: Addit. inc. tax	......	1,751
Forward	813,915	909,843

*Deficit.

Working Capital Position

	1936	1935
	$	$
Current assets	2,847,471	2,504,536
Current liabilities	999,769	472,493
Working capital	1,847,702	2,032,043

Inter. Metal Industries

International Metal Industries Ltd., Toronto, reports net profit in 1936 equivalent to $7.77 a share on all 6% preferred shares, contrasting with a loss of $13.42 a share in 1935. After allowing for one year's preferred dividends, the 1936 earnings were equivalent to 43 cents a share on the class A common stock contrasting with a deficit of $4.66 a share in 1935. Arrears of dividends at the close of 1936 amounted to $27.75 per preferred share.

The 1936 earnings are reflected in the increase of some $328,000 in working capital. The principal change is elimination of a bank loan of $500,000 among current liabilities effected by reduction of approximately the same amount in marketable securities among current assets.

The reserve of $180,000 for contingencies set up in 1935 stands at $125,000 in the balance sheet after addition of $80,000 in 1936, apparently reflecting appropriations of $135,000 in the latter year.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating profit	660,841	*249,280
Add: Invt. income	20,628	32,967
Profit on secs. sold	48,757	64,872
Less: Exec. remun.	78,599	79,043
Legal fees	25,275	25,233
Depreciation	113,847	101,468
Income tax	81,140	24,345
Conting. provision	80,000	180,000
Net profit	351,365	*606,530
Add: Previous surplus	*216,803	389,727
Surplus forward	134,562	*216,803

*Loss or deficit.

Working Capital

	1936	1935
	$	$
Current assets	4,399,493	4,473,217
Current liabilities	572,257	973,932
Working capital	3,827,236	3,499,285

Lord Nelson Hotel Co.

Lord Nelson Hotel Co., Halifax, reports an improvement of $18,067 in operating revenue for 1936 as compared with 1935. Operating expenses, however, wer up $12,233, leaving a loss of $6,490 as compared with $12,324, before bond interest or depreciation.

Payment of interest on the company's $600,000 of 4% first mortgage bonds is guaranteed by Canadian Pacific Railway Co. but sinking fund installments of $48,000 are unpaid. Advances from C. P. R., plus accrued interest, amounted to $243,149 at Dec. 31, 1936, an increase of $36,313 over 1935 amounts.

Income and Deficit Account
Years Ended Dec. 31

	1936	1935
	$	$
Oper. revenue	183,303	165,236
Less: Oper. exps.	189,793	177,560
Oper. loss	6,490	12,324
Add: Depreciation	24,000	24,000
Bond interest	24,000	24,000
Net loss	54,490	60,324
Add: Prev. deficit	396,805	331,389
Adjustments	......	5,092
Deficit forward	451,295	396,805

Working Capital

	1936	1935
	$	$
Current assets	26,930	21,707
Current liabilities	14,443	14,765
Working capital	12,487	6,942

Int. Bronze Powders

International Bronze Powders' statement for 1936 reveals a net income of $242,402 as compared with $301,553 for 1935. After the write-off of various charges, including dividends there was a deficit of $1,421, as against a surplus in 1935 of $120,815. Dividends were less in the latter year. Sales during the year totalled nearly $2.7 millions, as against $2.1 millions for 1935.

The balance sheet is featured by a gain in net working capital. Cash on hand increased from $253,147 to $453,019. Inventories are up over 50% at $658,132. Investment in subsidiaries increased from $120,000 to $177,171, while other investments advanced from $70,500 to $329,872. Fixed assets now stand at $1.5 million as against $1.3 million a year ago. The expansion in assets is reflected in part by an increase in outstanding preferred stock of $2,075,000 to $2.5 millions.

Income and Surplus Account
Years Ended Dec. 31

	1933	1935
	$	$
Operating profit	921,067	747,562
Other income	12,896	1,265
Gross revenue	933,963	748,827
Less: Expenses	411,483	324,020
Fin expenses	18,567	17,246
Income tax	99,330	56,246
Adjustments	162,181	49,664
Net income	242,402	301,553
Less: Dividends	243,823	180,738
Surplus	*1,421	120,815
Previous surplus	337,137	216,136
Surplus forward	335,716	337,137

*Deficit

Working Capital

	1936	1935
	$	$
Current assets	1,421,371	1,033,762
Current liabilities	337,846	180,174
Working capital	1,083,525	853,588

Claude Neon

Claude Neon General Advertising reports a moderate improvement in 1936, net loss of $92,327 comparing with a net loss of $171,280 for 1935. The income account shows an operating profit of $44,082, as against a loss in 1935 of $13,182.

The 1936 balance sheet shows an improvement in accounts receivable from $299,366 to $612,542. Investments in subsidiaries declined about $150,000 to $1.8 million. Deferred revenue, representing an increase in business, now stands at $443,179, as against $219,367 a year ago. During the year the bonded debt was reduced from $1,558,000 to $1,272,000.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Profit	44,082	*13,182
Less: Exec. salaries	7,798	12,876
Interest	140	2,559
Legal expenses	1,668	476
Net earnings	34,475	*29,093
Less: Depreciation	41,867	40,614
Bond interest	84,953	101,573
Net loss	92,327	171,280
Previous deficit	†710,122	533,952
Deficit forward	802,449	705,232

*Loss. †As adjusted.

Working Capital

	1936	1935
	$	$
Current assets	972,749	608,543
Current liabilities	129,690	68,704
Working capital	843,059	539,839

Crow's Nest Pass Coal Co.

Net profit equal to $4.47 a share on its common stock are reported by Crow's Nest Pass Coal Co. for 1936 as compared with $3.51 a share in 1935. Distribution to shareholders totalled $7 a share in 1936 of which approximately one half came from depreciation and depletion reserves as a return of capital. The $4 a share paid in 1935 came entirely from these reserves.

Coal mined in 1936 amounted to 514,163 tons against 444,794 tons in 1935. Coke production was 34,009 tons in 1936 and 27,063 tons in 1935.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Oper. profit	467,572	381,038
Add: Int. on securities	23,320	25,806
Other interest	4,125	7,644
Sundry income	20,348	21,917
Profit on sale of secs.	14,770	......
Total income	530,135	436,405
Less: Exec. salaries	30,993	30,341
Legal fees	2,340	2,294
Directors' fees	4,000	4,000
Depreciation	119,290	112,858
Depletion	51,416	44,480
Bad debts	387	......
Tax provision	43,579	24,301
Net profit	278,130	218,131
Less dist. to shareholders:		
From reserves to Dec. 31	731,227	698,196
Distrib. in 1936:		
From 1935 profits.	218,131	......
From deprec. & deplet. res.	216,695	248,472
Inc. tax adjust	......	2,690
Deficit forward	887,923	731,227

Working Capital

	$	$
Current assets	1,532,960	1,647,621
Current liabilities	171,493	135,662
Working capital	1,361,467	1,511,959

Supersilk Hosiery Mills

Net profit of $34,429 reported by Supersilk Hosiery Mills, London, Ont., for 1936 compares with $31,848 for 1935. This was equal to $7.06 a share on the 4,881 7% preferred shares in 1936 and $6.52 in 1935. Sales during 1936 amounted to over $850,000. It is understood that the first quarter of 1937 showed a substantial improvement over the corresponding period of 1936.

W. S. Thompson, president, states that the new securities issued under the reorganization adopted Dec. 14, 1936, are now available. It is planned to pay a dividend on the new 5% basis on the new preferred stock at the next dividend date in July. The 1936 reportt does not give effect to this reorganization.

Income and Surplus Account
*Year Ended Dec. 31, 1936

	$
Net profit	34,429
Less: Dividends paid	17,083
Surplus for year	17,346
Add: Prev. surplus	116,873
Less: Loss on invest.	359
Surplus forward	133,860

*Income and surplus account details not published in 1935 and previous years.

Working Capital

	1936	1935
	$	$
Current assets	336,351	468,394
Current liabilities	102,199	235,723
Working capital	234,152	232,671

Calgary Power

Both gross and net earnings of the Calgary Power Co. recorded a decline in 1936 as compared with the previous year. Gross earnings at $1,971,868, were about $56,000 less than in 1935. Net income available for dividends totalled $388,159, compared with preferred dividend requirements of $360,000. In the previous year there was an income of $471,905 available for dividends.

During the past year there was a drop of $55,612 in gross earnings due to the loss of the city of Edmonton's contract made in 1935. On the other hand, excluding revenue from Edmonton, there was an increase of $64,193 in income from other sources.

The financial position shows relatively few changes. The outstanding funded debt was reduced during the year by $60,000.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Gross earnings	1,971,868	2,027,481
Oper. expenses	708,181	701,511
Net oper. earn.	1,263,687	1,325,970
Inv. income	......	36,975
Other int. rec.	6,409	17,106
Total income	1,270,096	1,380,051
Bond interest	590,515	594,519
Exch. thereon	4,461	6,105
Depreciation	175,000	200,000
Income taxes	70,508	66,062
Amortization	41,453	41,460
Net income	388,159	471,905
Pref. dividend	360,000	360,000
Common dividend	......	210,000
Surplus	28,159	*98,095
Previous surplus	‡194,191	‡497,978
Tfd. to deprec.	125,000	200,000
Surplus forward	97,350	199,883

*Deficit. ‡Adjusted.

Working Capital

	1936	1935
	$	$
Current assets	723,556	708,764
Current liabilities	486,049	508,954
Working capital	239,507	199,810

Brown Co.

Operations of the Brown Co. for the fiscal year ended Nov. 28, 1936, showed a deficit, but the first quarter this year evidenced improvement, according to a report submitted by the trustee to United States district court.

During the first quarter of the present year net sales rose $979,903 above the same period in 1935-36. After allowing for deferred bond interest and depreciation, results for the quarter left a net income of $207,762 for all dividend requirements on the 100,000 shares of 6% preferred stock outstanding.

For the fiscal year ended Nov. 28 last, the consolidated companies showed a deficit of $1.7 million against a deficit of $2.2 millions in the previous 12 months. Net sales in the 1936 year increased $1.7 million over 1935 to a total of $17.8 millions.

The report includes all operations of the consolidated companies, the Brown Co. and its U. S. subsidiaries, and the Brown Corp., wholly-owned subsidiary, which operates Canadian properties in Quebec.

Supertest Petroleum Corp.

Supertest Petroleum Corp., London, Ont., shows profit of $381,410 from operations in 1936 compared with $352,060 in 1935. This indicates coverage for the dividends of $136,566 paid for the year. The company redeemed all $208,300 of class A preferred stock and reduced mortgages by some $19,000 to $11,300. This apparently involved outlay of about $248,000. Combined with dividends the outlays would total about $385,000, not greatly in excess of the stated profits.

The 1936 report shows an excess of $153,128 in current liabilities above current assets. In 1935, the excess was $50,558. Information in the 1936 statement is insufficient to show precisely what changes in fixed assets and depreciation reserves may have contributed to the greater deficiency in working capital. Capital assets and depreciation reserve are not shown separately.

J. G. Thompson, president, states that directors feel that in 1937 an improvement in the cash position should be effected.

Community Trusts Corp.

Community Trusts Corp., Chatham, Ont., reports a slight decrease in net profits for 1936 as compared with 1935. The company, however, has made progress in its various departments and total assets have increased to $1,272,084 from $1,095,074, including estates under administration.

Earnings Record

Year	Paid-up Capital	Net Profits	Div. Rate	Rate Earned per sh.
	$	$	$	$
1932	118,150	7,803	2.50	3.30
1933	118,650	7,207	2.50	3.05
1934	118,650	10,225	2.50	4.31
1935	118,650	12,242	2.50	5.15
1936	118,650	12,033	2.50	5.07

Public Liabilities and Assets

	1936	1935
	$	$
Inv't certif.	47,169	45,841
Trust deposits	100,814	34,988
Total	147,983	130,829
Secured by:		
Liquid assets	55,321	43,504
Mortgages & int.	92,660	87,326
Net cap. ac. assets	142,165	136,063
Total	290,146	266,893
Estates, etc.	977,638	823,904

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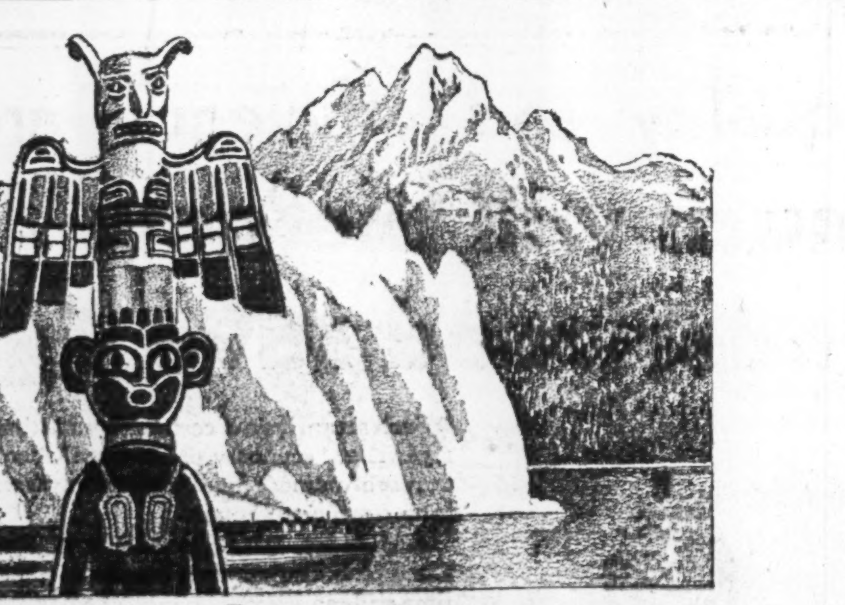

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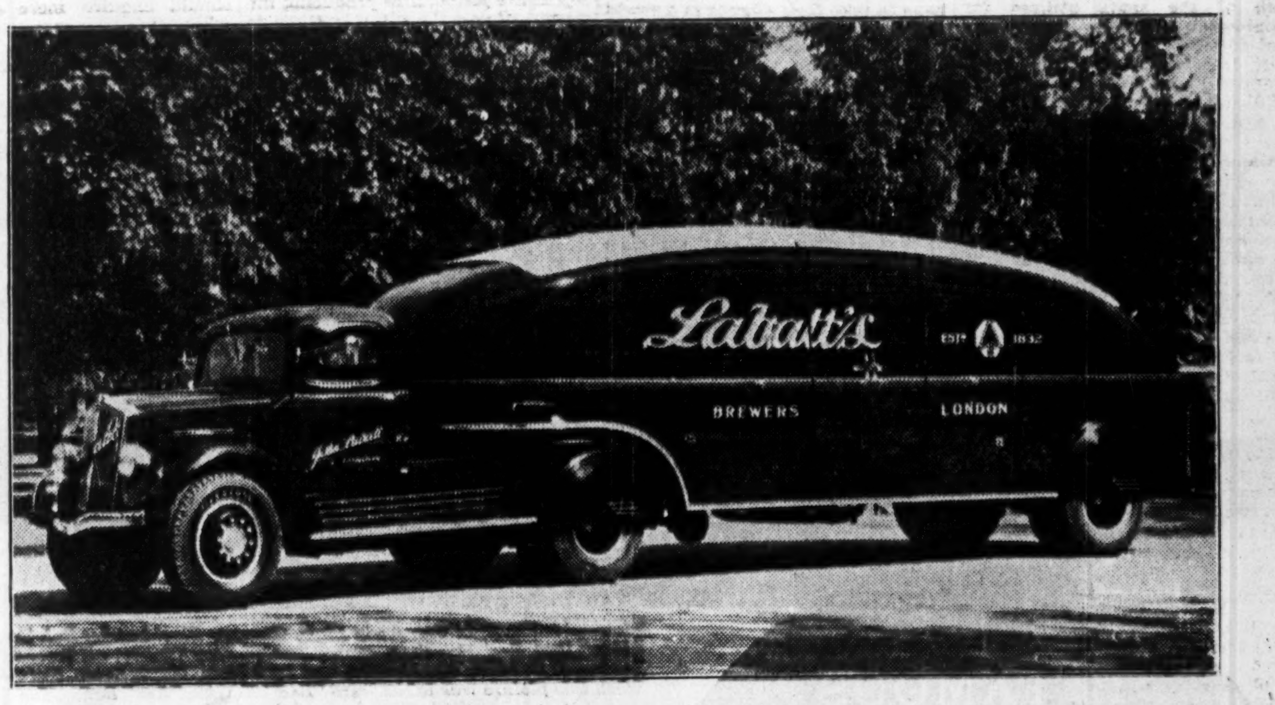

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Pattullo Starts Election Race Well in Lead

Odds Favor Govt. as B. C. Campaign Opens — Opposition Split

From Our Own Correspondent

VANCOUVER. — At least six parties will be bidding for support when British Columbians go to the polls in a provincial election June 1, but the odds favor the Pattullo Government at this juncture notwithstanding a series of barriers recently erected that will have to be hurdled somehow during the next month.

Fortunes seem to favor the party in office chiefly because it is in office, and because the opposition is still disorganized. The government has several awkward issues on its hands, notably health insurance and the handling of the Hedley Amalgamated Gold Mines scandal, but to offset these difficulties it has the spending of $6 millions on roads and public works in its control and a well-knit political organization at its command in every section of the province.

Conservatives Weak

Ever since the rout of the Tolmie Government in 1933 the Conservatives have been lacking in strength and unity, and Mr. Pattullo and his ministers have been sufficiently cautious in their public policies not to antagonize any powerful groups likely to exercise important political influence.

The C.C.F. is still without strong leadership. It is a party which flourished on widespread discontent, unemployment and wage cuts. Now that better times have come to British Columbia the C.C.F. has lost some of its appeal, and the party in power has conversely gained.

Of the other parties in the field, Social Credit is the only one worth specifying at this juncture. Failure of the Alberta experiment and the fiasco that resulted from Premier Aberhart's reported attempt to convert B.C. through the agency of missionaries have certainly not helped the Social Credit chances in this province.

Present standing of the parties in the legislature is: Liberals, 33; Social Constructive, 5; C.C.F., 3; Labor, 1; Non-partisan Independent, 2; Unionist, 1; vacant, 2.

Premier Pattullo will base his fight on the better terms issue—not a very new idea, but always a potent platform subject. Liberal speakers will emphasize the arguments developed by Dr. W. A. Carrothers, of the government's economic council, and others, that British Columbia has been paying tribute to the east because of high tariffs and the necessity of B.C. to import protected manufactured goods from the east while competing in world markets with its own primary products.

Social Credit—1937 Model

New Alberta Act Provides for Appropriation Of One Quarter of Provincial Revenues for Account to Back New Credit Scheme

From Our Own Correspondent

EDMONTON.—The third chapter of Social Credit legislation is now on the statute books, and what is undoubtedly to be the final effort of the Alberta Government to summon a new economic system from the dream worlds of Mr. Aberhart and Major Douglas, is under way.

The latest formula for introducing a Social Credit system hinges upon a new provincial credit account opened in the Alberta treasury. This account was "hereby created" at the nod of the lieutenant-governor, Hon. J. C. Bowen.

While it is from this provincial credit account that all the blessings of the new economics are authorized to flow, the account is at the moment empty. If and when a new Social Credit board of five loyal back-bench supporters of Mr. Aberhart can locate and prevail upon three to five individuals to act as commissioners to administer the act, some figures will be put down in the account.

"The Commission," says the new act, "shall determine for each year the value of the unused capacity of industries and people of Alberta for the production of wanted goods and services; which amount shall be credited to the provincial credit account."

A Costly Joker

This scheme was described by a number of members as a "joke" but the joke appears in different light from other clauses of the act. Far from leaving it to the "unused capacity for production" to provide backing for social credit, the act goes on to link up the provincial treasury with the scheme, so that provincial revenues, up to one-quarter of the annual cash income, may be thrown behind the credit account.

Unlike the old, abortive Alberta Credit House Act, the credits of Mr. Aberhart's new act will be exchangeable on demand into cash.

The new commission will have a similar duty, a duty which in fact involves the transfer of financial control from the Government to the commission. The act reads:

> "The commission shall have authority to take any necessary steps which may be required to establish and maintain a reserve of financial credit sufficient to assure that treasury credit certificates shall always be honored in terms of currency in the extra-provincial market."

Section 34 provides that "one-fourth of the provincial revenues in each fiscal year over and above the amount required to balance the normal budget estimates for that year," shall be set aside as a retirement fund for credit certificates.

Plainly, if the new scheme is actually put into operation, a considerable sum could be drawn from the treasury to keep it afloat.

Futile Efforts Abandoned

The new measure is the Alberta Social Credit Act. It wipes out two, former futile acts, from which here and there sections have been picked up. It also incorporates clauses deriving from the Goldsborough Social Credit Bill, a measure modelled on the Douglas theory for publicity purposes in the U.S.A.

PREMIER ABERHART

The minister in charge is Hon. Solon Low, provincial treasurer, the youthful schoolteacher whom Mr. Aberhart took into his cabinet three weeks before the legislature opened in February. The act provides for a new department of administration, to be known simply as the Credit House.

Mr. Aberhart's manufactured credits will be used for money. This is a provision from which he has veered in former legislation. The old Credit House Act provided that Alberta Credit would at no stage be convertible into cash. The new act will definitely link up the business life of Alberta with the proposed system of circulating credit tokens.

Credit certificates, the act provides, will be available for paying discounts to merchants so that they may sell goods below regular prices; for paying taxes and for government services; for interest-free loans; for paying off debts; for export subsidies; for paying dividends to consumers; and for other purposes which may be designated by order-in-council.

Section 10 provides that, by order-in-council, the Government may pay "all claims" owing by it in Alberta Credit, and that it may extend the same privilege to private citizens to pay off "any claim payable within the province," as long as it is specified in the order-in-council. All parties must agree to the terms before payments in Alberta Credit are valid.

New Exchange Medium

The act envisages the appearance of a new medium of exchange in Alberta, fulfilling the functions of money, though the exact nature and description is left for later decision. The term used is "credit voucher," by means of which social credit will circulate.

The complicated provisions of the bill, which contains 50 lengthy sections, divide administrative powers three ways, so that, according to several outspoken insurgents in the legislature, Alberta will have, in effect, three cabinets operating the new system.

The machinery of the act begins with a five-member board. Members and their constituencies, named in the act, are G. L. MacLachlan, Coronation, the chairman; F. M. Baker, Clover Bar, secretary; Dr. J. L. McPherson, Vegreville; W. E. Hayes, Stoney Plain, and S. A. Berg, Alexandra. Duties of the board include appointment of commissioners for the act and the hiring of suitable technical experts. The commissioners will hold office for 10 years.

Mr. MacLachlan's first act was to cable Major Douglas to come at once, and the members may later travel to England to canvass the field of economic experts, sympathetic to Social Credit. There was also the likelihood that the experts would begin to flock to Alberta.

HON. SOLON E. LOW

Unused Capacity

The credit system itself starts with the provincial credit account, representing unused productive capacity or "the difference between total consumption and productive capacity." Consumption will be ascertained by estimating actual domestic consumption of goods and services "for the preceding three months' period for which figures shall be available, plus the estimate of exports . . . plus a fixed percentage for capital depreciation, to be determined according to the estimates of the commission." In order to have the figures available as required, the commission will establish its own statistics bureau.

Students of the Douglas theory will recognize in this, the mathematical formula which ardent Social Crediters regard as the "scientific" principle for managing the economic system. Even insurgents grudgingly admitted that there was genuine Douglas theory in this feature of the act. When, by manipulation of these figures, the commission sets an amount of credit as the sum existing in the central credit account, transfer may be made to branches of the credit house throughout the province, by means of treasury credit certificates. This gives the branches a supply of credit to issue to customers. The certificates will bear no interest.

The main intention appears to be to issue credit as a retail discount. The discount rate will be "that percentage which unused productive capacity bears to the total productive capacity." That is, if Alberta is 10% short of using its full capacity for production, the customers in the retail stores may be permitted to buy goods at 10% less than prevailing prices. The merchant will keep vouchers of the discounts he has allowed, and deposit them to his account in the credit house. The whole business will be a matter of bookkeeping until someone wants hard cash, and then it will be up to the central credit house to see that supplies of cash are on hand.

Dividend Provision

But the main thing Alberta voted for was dividends, and the act provides them. The amount of dividend will depend on the credit available in the central credit house, and when a dividend is declared, each customer will get an entry in his own private account. That is all there is to it. By cheque, voucher, or some other token, the citizen will drawn on his account.

As under the old act, the citizen may deposit cash or securities in his account, and thereby receive further credit.

After a full year of bookkeeping, the central credit house will balance its books, by writing off any surplus of credit that it has. Then with a new year, and a new estimate or guess of "unused capacity," the province will start over again.

The credit thus issued, either as dividends or discounts, will not be considered taxable income.

The retirement of credit certificates out of treasury funds is not the sole safeguard against over-expansion of credit provided in the act. The commission, in times of stress, may launch "open market" operations, the nature of which is not detailed. As a final resort, a negative discount may be imposed, making the price on goods higher than prevailing prices. This would necessitate customers obtaining supplies of credit before purchasing goods, thus draining off excess credit from the central office.

As with other Social Credit acts in Alberta, the present one may be changed by order-in-council, presumably as the Government sees the need of adaptation.

Alberta Plans Enquiry Brief

All-party Committee to Prepare Case for Commission

From Our Own Correspondent

EDMONTON. — On motion of Premier Aberhart, the province of Alberta's official brief for presentation to the royal commission on financial relationships under confederation will be prepared by a committee of the Legislature, including all parties.

"I think we are looked upon by other governments as queer," said Mr. Aberhart, "but we don't want to be regarded that way. We wish to show that we are anxious to co-operate as far as we are able."

He added that he felt certain the enquiry would show that Alberta was not receiving its fair share of revenues.

The proposal to assist the enquiry, when such intention was first indicated by Mr. Aberhart, has been criticized by insurgent Social Credit members.

The committee to prepare a brief includes five Social Credit ministers, Hon. William Aberhart, Hon. Solon Low, Hon. W. A. Fallow, Hon. W. W. Cross, and Hon. N. E. Tanner, D. M. Duggan, Conservative, and C. G. O'Connor, Liberal.

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Judge Suggests Burns Settlement

Faults on Both Sides Are Outlined in Strike Findings

From Our Own Correspondent

VANCOUVER.—Fault on both sides is found by Judge J. C. McIntosh in his investigation of the dispute between Burns & Co. and its striking employees here.

Judge McIntosh advances the following points on which he believes agreement may be reached:

1. Reinstatement of 131 former employees, apart from nine men released for inefficiency; 50 to be employed this month, 41 in May and 40 in June.

2. Selection of such employees to be determined by both sides, with married men given preference.

3. Upon this settlement being made effective, employees shall immediately return the company's products to the labor council's fair list.

4. There shall be no discrimination toward employees because of union affiliations.

5. Employees shall have the right to belong to any organization or association of their own choosing, and the company shall recognize a committee elected by all its employees to represent them.

6. The nine former employees whose efficiency is questioned shall have the right to appear before the management to be heard.

Judge McIntosh suggests that in the interests of all concerned Walter Williamson, manager of Burns & Co. here, and Harry Douglas, business agent for the meat cutters' and packing house operators' union should be transferred to other work in their respective organizations.

The Burns strike began Dec. 29, 1936, following the dismissal of 19 men for "inefficiency and disloyalty." Subsequently, Judge McIntosh heard evidence from both workers and employers in a public enquiry into the dispute.

Pictured left to right are: Andy Blair, Chicago Blackhawks; Bob Davidson, "Hap" Day, Reg. Hamilton, Jimmy Fowler, King Clancy, all Toronto Maple Leafs, Bill Kendall, Blackhawks, and Nick Metz, Maple Leafs. Not available when this picture was taken were "Red" Horner, "Ace" Bailey, Joe Primeau and Syl Apps of the Maple Leafs.

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Another view of these popular hockey stars taking delivery of their 1937 Studebakers.

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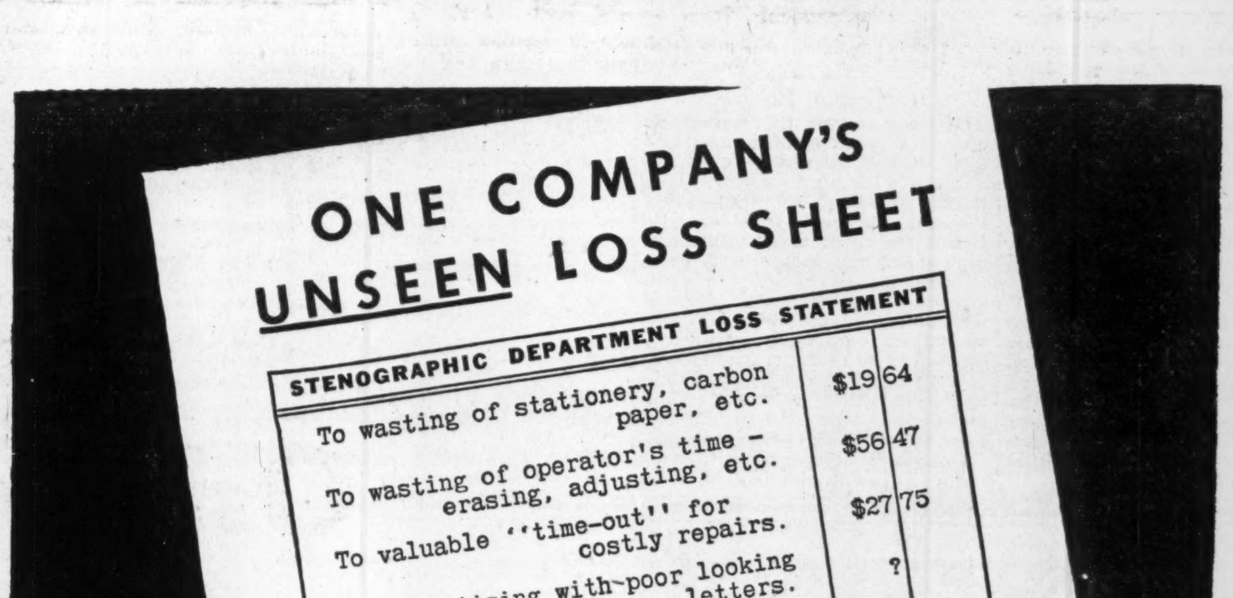

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C. I. O. Menace Is Spreading In Canada

Five Canadian Industries Threatened By Onslaught of Lewis Labor War—Plan To Organize Million Workers

By GUY S. CUNLIFFE

THREAT of C.I.O. disturbance and domination now hovers over five major Canadian industries.

The bid for international power of what has been denounced as the Lewis "Labor Trust" has promoted active recruiting activity among Canadian workers in the automobile, steel, rubber, textile and metal mining industries. Employers in three provinces, more than a score of communities and dozens of plants are disquieted by the prospect of having to choose between what they regard as industrial dictatorship or risk of disrupted relations with their workers.

Efforts of C.I.O. agents to mobilize workers in the automobile industry were halted, for the time being at least, by the Oshawa strike stalemate and the lusty resistance of Premier Hepburn and General Motors of Canada. But further clashes with industry and authority may result, it is feared, from threatened resumption of the C.I.O. campaign in the auto field, and from the organization work already under way in the four other industries mentioned.

The Canadian Campaign

APPARENT aims of the C.I.O. in Canada are equivalent on a smaller scale to those which have produced widespread upheaval and outbreaks of law breaking, in the industrial labor world of the United States. Claims of the organizers are nearly all highly exaggerated, but the activities of the organization in Canada are here set forth primarily for the information of Post readers.

Using the last Dominion census as a basis, there are approximately four million employed persons in Canada. Eliminating workers engaged in farm, fishing and hunting pursuits, there is an estimated total of 1.5 million persons employed in manufacturing, mining, milling, railway,, construction and other industries. Latest reports set at not more than 300,000, or about 20%, the number of union-organized workers in Canada, drawn almost entirely from such industries.

It is the remaining 80%, or about 1.2 million workers, from whom the C.I.O hopes to draw recruits to strengthen the Canadian arm in its grip on North American industry.

As in the United States, the Canadian effort to extend unionization to mass production workers draws its inspiration, and most, if not all its financial backing, from the C.I.O. While tending to evolve into a federation of unions similar in structure and rival to the American Federation of Labor, the C.I.O still retains the form implied by its full name —Committee for Industrial Organization.

Constituting the committee are the presidents or high officers of 15 unions, of which 10 were suspended by the A.F. of L. in the split forced by the C.I.O. campaign to organize workers by industries instead of crafts. Chairman of the committee is John L. Lewis, head of the United Mine Workers, instigator and director of the whole scheme. Committee secretary is Charles P. Howard, president of the International Typographical Union, which has not yet been suspended from the A.F. of L. but has endorsed Howard's action in supporting the C.I.O. as an individual.

15 Unions Allied

THE 15 unions represented on the Committee are: United Mine Workers, Amalgamated Association of Iron, Steel and Tin Workers (steel industry unit), Amalgamated Clothing Workers (men's clothing), International Ladies' Garment Workers, United Textile Workers; Oil Field, Gas Well and Refinery Workers; United Hatters, Cap and Millinery Workers; International Union of Mine, Mill and Smelter Workers (metal mining and milling), Federation of Flat Glass Workers, United Automobile Workers, United Rubber Workers, United Electrical and Radio Workers; Industrial Union of Marine and Shipbuilding Workers, American Newspaper Guild, and International Typographical Union. (Like the Typographical union, the Newspaper Guild is not suspended from the A.F. of L., but is increasingly C.I.O. in its leanings).

Regarded also as C.I.O. unions, though not formally affiliated, are unions of aluminum, shoe-leather, and pulp-paper workers.

The organizations embraced by the C.I.O. may be divided into two groups. One consists of unions, such as Lewis' coal miners, and the units in the clothing trades, which had existed for some years as industrial unions within the A.F. of L. They had achieved almost saturation-point strength in their respective fields prior to the rise of the C.I.O.

The second group covers the unions really involved in the currently militant drive to unite mass production workers. These are the unions in the steel, automobile, rubber, textile, oil, radio-electrical and other industrial fields in which union organization had made little or no headway.

Funds from U. S.

INTO these fields, aggressive and spectacular organizing campaigns were projected. The bulk of the funds came and is still coming from Lewis' coal miners union, which levied a special assessment of $1 a month per member on its rebuilt membership of 540,000 men, for two months.

Supplementary contributions were made by other supporting unions. Apportionment of assisting finances from the C.I.O. "war chest" has been made both directly to special organizers and to the unions concerned. Allocation of funds to promote organization in the steel industry was made through an auxiliary body called the Steel Workers Organizing Committee, and for the textile industry through another subsidiary body.

As a result of this high pressure, high speed campaign, the strength of the unions affiliated with the C.I.O. has leaped to phenomenal heights. When the Committee was launched, an affiliated membership of one million was claimed. Now a total of nearly three million members is claimed, equal to, if not in excess of, the estimated membership of the unions remaining in the A.F. of L. Enrolment of the United Automobile Workers has jumped from 30,000 to a claimed total of 360,000, of the United Rubber Workers from 4,000 to 70,000, of the United Textile Workers from 50,000 to 130,000, of the steel union from 10,000 to 300,000. These are C.I.O. estimates and are doubtless considerably exaggerated.

Invasion of Canada

THIS headlong thrust for labor power has now pushed across the border and is being directed in Canada against five of the unorganized industries. It is concentrated at present on the auto, steel, rubber, textiles and metal mining industries in Ontario, Quebec and Nova Scotia. But there are indications that it will spread before long to other communities and other provinces, and ultimately be directed also against other industries, such as lumbering, radio-electrical manufacture, and oil refining.

Chiefly capturing public attention and causing the greatest current disruption of industry is the C.I.O. bid for a hold on Canada's automobile industry. Union agents have precipitated the General Motors strike at Oshawa through the rapid recruiting of workers in General Motors plants in Oshawa, St. Catharines and Windsor. They have also wrested agreements from several parts plants in Oshawa and are planning to organize workers in all Canadian plants supplying the industry.

Whichever way the Oshawa deadlock is settled, C.I.O. automobile organizers plan to seek a foothold eventually in the Ford and Chrysler plants in Windsor, the Hudson plant in Tilbury, and the International Truck establishment at Chatham. In the meantime, Hugh Thompson, C.I.O. automotive organizer in Canada, states that an effort will be made to bring garage mechanics and similar workers into the auto union and that a group of several hundred auto salesmen in Toronto are seeking affiliation.

Steel Organization

WIDEST in scope of C.I.O. activities in Canada at present is the effort to organize steel workers. In post-war years, the Amalgamated Association of Iron, Steel and Tin Workers had a Canadian membership of 8,000 in Sydney, N.S., Montreal, Toronto, Hamilton, Belleville, Sault Ste. Marie and other centres. It dwindled away to nothing after Ernest Curtis, Newfoundland-born Nova Scotia steel worker, who became Canadian vice-president of the union, relinquished his leadership in 1922 and became attached to union headquarters in Pittsburgh.

Some months ago, Mr. Curtis returned to Canada as agent for the Steel Workers Organizing Committee to direct the effort to rebuild the union in Central Canada. Taken ill in the midst of the campaign, he died several weeks ago. This left in charge of the drive a Hamilton steel worker, Milton Montgomery, whom Mr. Curtis had drafted as his lieutenant. With the campaign in Montreal in charge of Lucien Dufour, former steel worker in that city, the C.I.O. steel drive in Canada is now continuing without use it is claimed of imported agitators.

Communities and plants in which steel organization work is being carried on at present, according to organizers' reports, are:

Sydney and Trenton, Nova Scotia, plants of Dominion Steel and subsidiaries; Montreal, plants of Steel Co. of Canada and Vickers, Ltd.; Toronto, General Steel Wares, Dominion Wheel, International Metals, Acme Screw and Gear, and other plants; Hamilton, Steel of Canada, Dominion Foundries and Steel, International Harvester, B. Greening Wire, and other plants; Welland, Page-Hersey, Electro-Metallurgical; Port Colborne, Canadian Furnace Co.; Chatham, several unnamed plants; Oshawa, Fittings Ltd., Ontario Malleable Iron Co.; Sarnia, Holmes Foundry Co.

Efforts to establish the union in Nova Scotia are being carried on without a special organizer, but under the direction of district officers of the United Mine Workers. Future organizing work in Ontario is planned in Galt, Kitchener, Preston, London, Belleville and Gananoque. Workers of the Algoma Steel Corp., at Sault Ste. Marie, are already organized in an independent local union, affiliated with the All-Canadian Congress of Labor.

Rubber and Textiles

IN THE rubber industry, C.I.O. recruiting in Canada is in charge of C. D. Lesley, from United Rubber Workers headquarters in Akron, Ohio. Established for the time being at Kitchener, Lesley claims to have enrolled a large proportion of workers in the Goodrich, Dominion, Merchants, and Kaufman plants there. Lesley and Lloyd Brown, of Kitchener, Lesley's aide, have also been active in making contact with rubber workers in the Gutta Percha and Dunlop plants in Toronto; the Goodyear plants in New Toronto and Bowmanville; and the Firestone plant in Hamilton.

C.I.O. activities in these plants have been highly secretive, but company officials believe the claims of the organizers are grossly exaggerated.

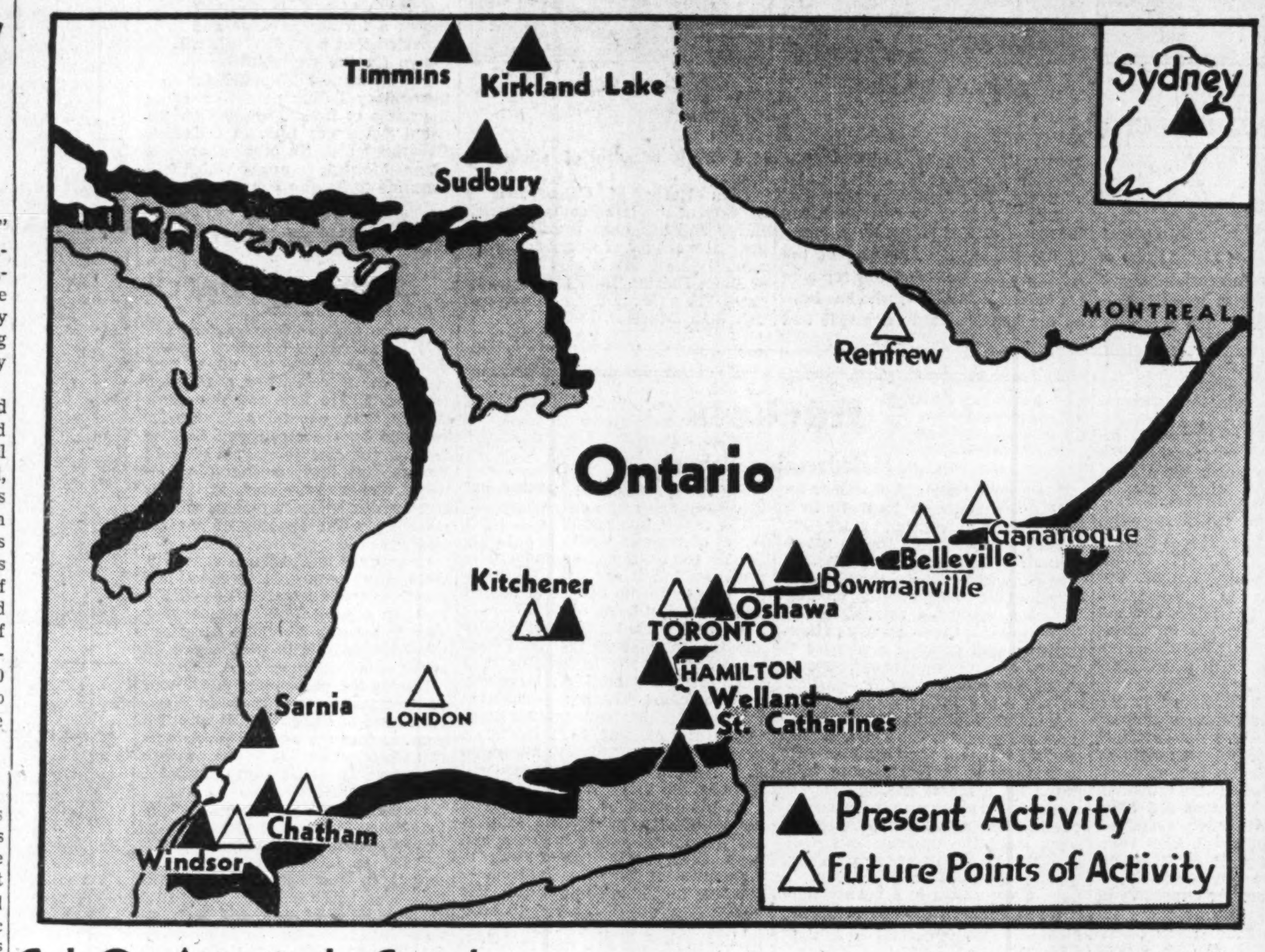
Recruiting of Canadian textile workers for the C.I.O. is under the general direcion of Alex Welch, Toronto, agent of the international union. Spheres of activity to date of Welch and his aides include Welland, scene of thte Empire Cotton Mill strike; Toronto, and the overall, shirt and weaving factories of Guelph and Kitchener.

On the union roster of the Federal Department of Labor, existing locals of the textile union are listed as operative at Toronto, Cornwall, Peterborough and Welland; Three Rivers, Que.; Milltown, N.B.; and Vancouver.

Mining Threatened

STEADY broadening of the C.I.O. move on Canadian industry was climaxed this week by revelation that locals of the Mine, Mill and Smelter Workers, metal mining affiliate of C.I.O., have been formed at Timmins of workers from the Hollinger and McIntyre mines. The revelation coincided with warning from Premier Hepburn that he would "deal promptly" with any difficulties resulting from activities of C.I.O. organizers in the Kirkland Lake and Porcupine mining areas, and among workers of International Nickel, at Sudbury.

J. P. Bickell, president of Hollinger, and J. R. Timmins, president of McIntyre-Porcupine ,both issued emphatic statements opposing C.I.O. aims and policy and indicated they would suspend operations indefinitely rather than submit to C.I.O. domination. Jules Bache, president of Dome Mines also indicated he would co-operate with other mines in the event of a shutdown.



C. I. O. Activity In Canada

Chief focal points of current C.I.O. operations in Canada are indicated on the map above. The centres indicated as the scene of present activity are those in which agents of the C.I.O. or its unions are at present busy, seeking recruits to extend the power of the Lewis "labor trust" in the Dominion. Towns and cities designated as points of future activity are those in which organizing work is contemplated in the near future. The campaign is at present concentrated in five major industries—automobile, steel, rubber, textiles and metal mining—in which little if any organization of workers existed until the advent of the C.I.O., in either the United States or Canada. Some of the larger centres are not only the locale of present membership drives by C.I.O. men, among workers in one or more industries, but will also see campaigns in other industries before long, according to C.I.O. plans. In addition to the comparatively fresh fields indicated into which the C.I.O. is extending its Canadian campaign, there are others, such as the garment, coal mining and printing industries, in which C.I.O. affiliated unions have been strongly established for some time.

C. I. O. Leaders Covet Membership of 50,000 In '37—100 New Locals Expected During Year

From Our Own Correspondent

OTTAWA.—Total strength of Canadian unions affiliated with the C.I.O. may exceed 50,000 workers by the end of this year, according to estimates of federal labor authorities. This includes existing membership of unions well established in their respective fields before the C.I.O. launched its onslaught on unorganized mass production industries, and the anticipated new enrolment resulting from the activity in fresh fields.

Department of Labor officials expect that the current year will see 100 new locals of international unions established in Canada. This will include new branches of continuing American Federation of Labor unions, and newly created units of C.I.O. bodies seeking strength among mass production workers. For the present, Canadian units of both C.I.O. and A.F. of L. unions remain united in federation within the Trades and Labor Congress of Canada.

62 Locals Formed

Of these 100 new locals, officials believe, more than 65% will be affiliated with the C.I.O. Already this year, reports have been received at Ottawa of establishment of sixty-two locals in Canada of C.I.O. organizations. These are branches of the United Automobile Workers, three locals; Amalgamated Associations of Iron, Steel and Tin Workers, 15; International Union of Mine, Mill and Smelter Workers, 12; United Mine Workers, 22; United Rubber Workers, 5; United Textile Workers, 5.

The new units of the United Mine Workers, the John L. Lewis organization, which originally promoted the C.I.O. movement, represents extension of the already well established strength of the union among coal miners in Nova Scotia, Alberta and British Columbia. The new locals of the other unions mentioned are the fruits of organizing activity in virtually unorganized industrial fields.

The United Mine Workers now has 66 locals in the three provinces referred to. Other C.I.O. unions which have for some time past been comparatively well organized in both the United States and Canada include the Amalgamated Clothing Workers, 18 locals in Montreal, Toronto and Hamilton; International Ladies Garment Workers, 13 locals in Montreal, Toronto and Winnipeg; United Hatters, Cap and Millinery Workers, 5 locals in Montreal, Toronto and Winnipeg.

The International Typographical Union, still affiliated with the A.F. of L. but endorsing its president's stand in serving as secretary of the C.I.O., has 49 locals in eight Canadian provinces.

Oshawa Strike Hits 1,000 Firms

Shut Down of General Motors Plant Will Affect At Least 10,000 Workers In All Parts of Canada — Steel, Lumbering, Textiles and Coal Among Industries to Feel Repercussions of C.I.O. Blow

By GORDON L. SMITH

WHEN Hugh Thompson of Detroit persuaded workers in the main plant of General Motors of Canada to go out on strike he immediately precipitated a situation that reached out far beyond the confines of Oshawa. For every two employees who downed tools there, jobs of three others in widely separated parts of Canada were placed in jeopardy. At least 10,000 workers were directly affected, company officials estimated for The Financial Post.

John Jones who works in a small logging camp up near Calabogie, Ontario, was affected. Jean Baptiste in a textile mill at Farnham, Quebec, was threatened with a lay-off. Another chap in the coal mines away down in Cape Breton faced the same possibility, while at the other end of the Dominion producers of plywood at Vancouver were in a similar position.

Workers Forced Out

SOME of these workers may never have realized that there was any connection between their job and the C.I.O. activities at Oshawa. Wood, lumber, coal and cloth must be ordered many months ahead when cars are to be built. But when emergency stop orders were issued by General Motors to the scores of parts factories in and around Toronto, Hamilton, St. Catharines and other parts of western Ontario, employees in such plants very shortly realized that if Oshawa workers were to remain idle for any length of time then they, whether agreeable or not, would soon be idle too.

The first result of the strike was to throw the 3,700 employees in the big G.M. Oshawa plant out of work. This represented an immediate wage loss of close to $20,000 daily. At least 3,000 families or a population of 12,000 were immediately affected. There was a sudden check on the $120,000 weekly spending bill of Oshawa motor workers, and the doctors, storekeepers, dentists, garage mechanics and other non-motor workers of that city immediately saw their livelihood threatened.

Wide Ramifications

BUT General Motors of Canada is much more than an Oshawa concern. It sells in every part of Canada and the product it sells is fabricated from materials coming from nearly every part of Canada. Within a few days of the closing of the Oshawa plant, workers in the subsidiary plant at Windsor were forced into idleness. From this point come motor castings and forgings, cushion springs, wheels and foundation assemblies. When the Windsor plant closed, 500 jobs disappeared.

At the other big General Motors subsidiary in St. Catharines, 1,600 more jobs were placed in jeopardy. Here axles, transmissions, spark plugs and other vital lines are produced. After the Oshawa shut-down, it is true, a reserve supply could be created, but again, transmissions without the rest of the car have no selling value whatsoever and only a limited extra supply can be carried.

The 5,800 workers in the three major G.M. plants in Canada were only about half those who, whether asked or not, were forced into the position of practically taking orders from Hugh Thompson, in the matter of laying down the tools of production. Within a week,of the outbreak at Oshawa the company was forced to warn several of its "feeder" companies to ease up in the supplying of parts and other goods. With a prolonged strike it would only be a matter of time before the full flow of such goods would have to be completely stopped.

Eighty Municipalities

LAST year, General Motors purchases of production materials in Canada amounted to over $30 millions. One thousand business concerns, large and small, participated. Eighty municipalities benefitted.

Hamilton factories, largely, for sheet steel, received $628,000. For wire, paint, piston rings, fan belts, bolts, screws and cloth. Toronto manufacturers received $3,600,000, while neighboring New Toronto sold G.M. almost $2,000,000 of rubber and copper products. Oshawa outside purchase of glass, body hardware, bumpers, head and tail lamps and other things amounted to $7,400,000. Some $5 millions of car raw materials in the St. Catharines neighborhood were purchased, while Guelph sold carpet to the value of over $40,000. From Farnham, Quebec, came $300,000 worth of cloth, and this was only part of the bill for such material. Coal purchases from Sydney, Nova Scotia, amounted to $100,000.

Although General Motors cars have practically all steel bodies, still the company's lumber bill runs into hundreds of thousands each year. Rough lumber is needed for crating cars for export and for shipment of spare parts; hardwood for certain truck and special bodies, and plywood for trunk and seat Orders for such materials go into places like Huntsville, Goderich, Orillia, Penetang, Owen Sound, Calabogie, Coe Hill, Maitland, Midland and Vancouver. Asbestos for installation and brake linings comes from Quebec. Flat springs to the tune of $312,000 came from Gananoque and Oshawa last year, while Belleville factories contributed nearly $150,000 worth of car radios and other parts. Some of these feeder plants depend upon G.M. purchases for their entire output.

Communities Menaced

When a brand new, shiny General Motors car rolls off the assembly line its birthplace is Oshawa but its immediate ancestry traces to cities, towns and villages scattered all over the Dominion. Disregarding plant and equipment which must be in place before car building begins, production materials are drawn from the following points:

Name of product	City or town
Batteries	Toronto
Radiators	Oshawa
Motor castings and forgings	Windsor, Sandwich
Piston rings	Toronto
Spark plugs	St. Catharines
Ignition wire	Brockville, Toronto
Starters and generators	St. Catharines
Fan belts	Toronto, Bowmanville
Small parts such as bolts, screws and nuts	Ingersoll, Toronto, Montreal
Head and tail lamps	Walkerville, Oshawa
Tires	Toronto, Kitchener and Hamilton
Wheels	Windsor
Hubs and drums	Windsor and St. Catharines
Axles	St. Catharines
Steering gears	St. Catharines
Transmission	St. Catharines
Brake linings	Peterborough
Bumpers	Oshawa
Shock absorbers	St. Catharines
Knee action coil springs	Montreal
Flat springs	Oshawa, Gananoque
Glass	Oshawa
Cloth	Renfrew, Ont., Farnham, Que., Brantford, Toronto, Magog, Quebec, Montmorency Falls, Valleyfield.
Carpet	Guelph, Toronto
Body hardware	Oshawa
Car radios	Belleville
Seat covers	Chatham
Polish	Bowmanville
Foundation board	Chambly, Quebec
Name plates	Ottawa, Toronto
Molded rubber parts	Granby, Quebec
Paint and enamel	Toronto, Montreal
Basic materials	
Alloy steel	Deloro and Welland
Lumber	Northern Ontario, Northern Quebec and Vancouver
Coal	Sydney, N.S.
Asbestos	Quebec
Steel	Hamilton, Toronto, Sault Ste. Marie
Copper	New Toronto

C.I.O. Drive Is Opposed By Laborites

National Union Groups Object to Invasion of New Body

Stiffening of the long standing opposition of Canada's national union organizations to the extension into Canada of American international unions, has resulted from the C.I.O. invasion of Canadian industry.

Strong statements objecting to the attempt to impose foreign domination on Canadian labor and industry have been issued by both Zenon David and A. R. Mosher, heads of the Canadian Federation of Labor and the All-Canadian Congress of Labor. The Federation functioned in the past from 1902 to 1927 when it merged with the All-Canadian Congress, but was revived last fall to embrace unions which broke away from the A.C.C.L.

While the declarations of the two labor leaders have been directed particularly against the threatened penetration of the C.I.O. drive, national labor bodies have for years fought against the intrusion of A. F. of L. and other international influence in the Canadian labor field. In the view of national unionists, Canadian workers are better served by formation of their own unions within the country, without the direction or domination of outside interests.

Latest available labor statistics give the All-Canadian Congress a membership strength of about 60,000, of which unions with an approximate strength of 40,000 are now affiliated with the Canadian Federation of Labor. This leaves with A.C.C.L. an estimated strength of only 20,000, though Congress officials claim a potential membership of 30,000. The allied membership of the Congress consists mainly of President Mosher's own union, Canadian Brotherhood of Railway Employees.

Catholic Unions

Other strictly Canadian labor bodies include the National Catholic Unions, with a membership of 40,000, chiefly in Quebec; and other Canadian groups with a strength of 20,000 workers. Independent local units have a reported membership of 20,000.

Thus an estimated total of 140,000 Canadians are actively opposed or may be considered out of sympathy with the C.I.O. invasion of this country. Government labor statistics set at about 150,000 the total membership in international unions in Canada, including A. F. of L. and C.I.O. unions still linked together in the Trades and Labor Congress of Canada, and the unaffiliated international unions in the railway trades.

So far there has been no split in the ranks of the 130,000 workers linked to the Trades Congress, and the A. F. of L. craft unions appear satisfied to remain united with the unions, both new and old, connected to the C.I.O.

When the A. F. of L. and its insurgent C.I.O. unions reached the parting of the ways in the United States, it did not bring a similar cleavage in Canada.

The Trades and Labor Congress of Canada is a federation of Canadian branches of A. F. of L. unions and a few purely local unions. But it acts primarily as a legislative channel of Canadian labor, and not on jurisdictional matters on which rulings are transmitted to Canadian member unions through their American headquarters.

When the split developed in the United States, the Congress adopted the view that it was a jurisdictional matter and therefore was not for the Canadian federation to deal with. Since that decision, Canadian branches of C.I.O. unions and loyal A. F. of L. units have remained allied and district councils composed largely of A. F. of L. unions have ignored the order from A. F. of L. headquarters for expulsion of C.I.O. unions.

Thus, there is little if any likelihood of Canadian A. F. of L. unions either withholding support from or interefering with C.I.O. organizational work in this country, but rather the probability that they will lend it co-operation. It is possible, however, that the united front may be disrupted should the A. F. of L. carry out its announced intention of extending into Canada its drive to organize workers in the same fields as those in which the C.I.O. is seeking new membership strength.

GRAY MILLER CONRAD S. RILEY JOHN BURNS

ROYAL BANK DIRECTORS

Three new directors, Gray Miller, Conrad S. Riley and John Burns, have been elected to the board of the Royal Bank of Canada. Gray Miller, president of Imperial Tobacco Co. of Canada since 1932, is one of Quebec's leading industrialists.

Conrad S. Riley of Winnipeg, is managing director of the Northern Trusts Co., and in addition is a director of the Canadian Fire Insurance Co., Northern Mortgage Co., Canadian Indemnity Co., Winnipeg Electric Co., and an active member of the Canadian committee of the Hudson's Bay Co. Mr. Riley replaces his father, R. T. Riley, who has been on the bank's board since 1925 and is retiring because of advancing years.

John Burns of Calgary, is a nephew of the late Senator Patrick Burns and has been president and general manager of Burns & Co. for several years. He is also president of Palm Dairies, Ltd., and Consolidated Fruit Co., and is a director of Canadian Bakeries, Ltd.

Rackets

Hairdressing Schools

The growing demand of women for special treatment to improve their traditionally crowning glory has proved a fertile field for an astonishingly varied array of rackets.

In Ontario a mushroom growth of questionable "hairdressers' schools" has been reaping a harvest in fees from aspirants to proficiency in hairdressing, and creating a menace to women who presume that one beauty parlor is as good as another—particularly if it is a little cheaper.

A number of self-styled schools have cropped up, the Ontario Legislature was told recently, that offer to train girls in hairdressing technique for a fee averaging $50. The students are given courses rarely exceeding two months in duration. In some cases the unscrupulous operator obtains supplementary revenue by allowing pupils to practise on the hair of customers in a beauty shop.

When the two months is up, the girl is turned loose with an impressive-looking, ornate diploma. Rejected impatiently when she applies for a position at recognized beauty parlors and hairdressing establishments, the still untrained girl in many cases resorts to opening her own shop.

The racket thus acquires a double aspect of undesirability. It not only obtains the training fees under false pretenses but it exposes unsuspecting women to the danger of having their hair mutilated.

Another racket that periodically appears to plague the legitimate hairdressing trade is flooding of a small town or district in a large city with coupons offering permanent waves and other treatments for nothing, or at a cut rate, to "introduce a new beauty shop." Always interested in a bargain, numerous women will flock to the place.

In the meantime, the racketeers have high-pressured some gullible individual with money to invest, and have shown him the crowds of women in the "shop" as evidence of the big business being done. The victim does not discover until after he has bought the place and is preparing to sit back and rake in profits that all or most of the throngs of supposedly regular customers are applicants for free coupon treatments.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to Apr. 17.

United Kingdom—Gains in practically all branches have been accentuated by the increased momentum of the rearmament programme and by seasonal factors; many industries are operating at capacity.

Czechoslovakia — Occupation in most industries was substantially higher in the first quarter of 1937 than a year earlier, foreign trade, both imports and exports, was more active, and unemployment was reduced.

Japan — Business sentiment remains confident, in spite of a sharp break in security prices toward the end of March; imports of pig iron from the United States expected to remain active, owing to shortage of available supplies from the Soviet Union and India.

China—Plans are going forward for the establishment of a new cotton mill producing fine yarns in connection with the China Development Finance Corporation; export valuations for duty purposes on goods shipped to the United States have been raised at Tientsin.

Australia—Steady gains continued in trade and industry and recent rainfall has improved crop prospects.

New Zealand—Further stimulation has been provided by the continued high level of prices for wool and other primary products; it is expected that total wool sales for the 1936-37 season will set a new high record.

Philippine Islands—A company for yarn production is being organized as a subsidiary of the National Development Company.

Hawaiian Islands—Progress has been registered in business and industry since the improvement in the shipping situation, with exports of raw sugar and canned pineapple active, tourist trade heavier, and the construction trade greatly improved.

Syria—The improvement which characterized 1935 was not maintained in 1936, but some recovery occurred in the final quarter.

Egypt—Export trade, owing to heavy shipments of cotton, was much more active in Jan., 1937, than a year earlier, and the export surplus for the month was much larger.

Iceland—Foreign trade in 1936 showed a slight shrinkage in imports and a fair expansion in exports.

Nicaragua—The business morale remained low during March, owing to higher import prices and the difficulty of obtaining foreign exchange.

Haiti—The imports were apparently well maintained during March, but no significant changes in business occurred.

Argentina — Commercial sentiment, backed by record exports at high prices during the first two months of 1937, continues optimistic.

Uruguay—Although the meat and wool markets were dull during March, the hide, skin, and cereal movements were strong, and retail trade in the capital was brisk.

Brazil—Recession from the high levels of recent commercial and industrial activity continues, although there are many bright features in the situation.

Ecuador—Favorable cacao market conditions continued to support business sentiment during the past month, despite some unfavorable influences.

Mexico—The prevailing feeling of confidence in present conditions is providing an impetus to industry and commerce.

Guatemala — Sales in practically all lines were good in March, and tourists arrivals were exceptionally encouraging.

El Salvador—Arrival of delayed shipments from California ports boosted the level of import tonnage in late February and early March.

British Guiana—Brighter prospects have appeared, despite seasonal dullness.

Delay Appointing Royal Commission

Appointment of the proposed royal commission to investigate Dominion-provincial relationships will be delayed until after the Coronation and the Imperial Conference, according to Prime Minister Mackenzie King.

It is known that the Government has encountered considerable difficulty in finding a suitable chairman for the commission. Expectations are, that while in England, the Prime Minister will endeavor to secure the services of a leading British economist.

The Government is still hopeful of getting the investigation under way this summer, but the delay may mean that the commission will not be able to bring down its report until late in the current year at least, and possibly not until next year.

What's What in Advertising

By JACK STONE

W. C. McNaught, well-known figure among advertising men of Toronto, has recently been appointed to the staff of A. McKim Ltd., Toronto. Mr. McNaught will specialize in copywriting and the creative end of advertising production.

Mr. McNaught was born in Toronto, the youngest son of the late Col. W. K. McNaught, C.M.G., member of the legislature for North Toronto during Sir James Whitney's premiership. Mr. McNaught is brother of the late C. B. McNaught, former president of Dominion Steel and Coal Corp. and a director of the Royal Bank of Canada.

He was educated at Church Street School and Jarvis Collegiate Institute. It was here he showed his first flair for writing when he became editor of the Jarvis Magnet, as well as being one of its founders. He continued his newspaper work on "The Varsity" while attending the University of Toronto, where he received his B.A. in 1911.

He entered Osgoode Hall in the fall of 1911, but felt the stronger call of newspaper work, and gave up his law studies to join the staff of the Calgary Daily Herald, as editorial writer and feature writer, music and drama critic. Returning to Toronto in 1914 he joined the staff of Toronto Daily News. He enlisted and went overseas in 1916. After the war he rejoined staff of Toronto Daily News as telegraph editor and feature writer.

Mr. McNaught deserted active newspaper work in 1919, when he joined the staff of J. J. Gibbons Ltd., Toronto. He is a member of the Toronto Writers Club and also the Alpine Club of Canada. His favorite hobby is outdoor sketching in oils.

Dominion Salt Co. Ltd., Sarnia, Ont., is introducing a new one and one-half pound container for Sifto Salt. This package is believed to be handier for general domestic use, in preference to the usual two-pound package. This new package will be introduced to the market by means of 700-line advertisements in newspapers across the country. A feature of the campaign will be a contest in which women are invited to write in telling why they like the new package. The campaign is being handled by A. J. Denne & Co. Ltd., Toronto.

* * *

Roy Tate, formerly with the Toronto office of Saturday Night, has been appointed eastern manager and will be located in the Montreal office of that publication.

* * *

The spring campaign for Steelcote rubber enamel has been released by the Toronto office of the Benison Company. Leading daily newspapers from coast to coast will carry advertisements during the next three months.

* * *

Tandy Advertising Agency Ltd., Toronto, is shortly releasing space instructions to a limited list of newspapers for the advertising of Cantrell and Cochrane, one of the oldest manufacturers of ginger ale in the world.

* * *

Shu-Milk, the white shoe cleaner, will use leading magazines during the next few months in a new campaign. Advertising is handled by The Benison Co., Toronto.

* * *

The Quaker Oats Co., Peterborough and Saskatoon, are starting the largest schedule of advertising of Quaker Corn Flakes ever used for this product. Space will be used in daily and weekly newspapers across Canada. Trade papers will also carry copy. Radio will be used to a much larger extent; "Kaltenmeyer's Kindergarten," previously carried by United States stations only, will also be carried through CRCT, Toronto. Spot announcements will be used in local stations across Canada. This advertising is handled by Lord & Thomas, Toronto.

Brewing Corp. Alters Name

Canadian Breweries Ltd. Expects Small Profit For Half Year

Shareholders accepted the proposal to change the name of Brewing Corp. of Canada to Canadian Breweries Ltd. at the annual meeting on April 14 and in future the latter name will be used.

E. P. Taylor, president, stated that for the first time in the company's history a profit is likely for the first six months of the company's fiscal year. Improvement was shown in the first quarter when a net profit of $14,928 was reported. The second quarter, which ends April 30, has shown a further advance and it is expected that a small profit will be shown for the six months.

The company has applied for supplementary letters patent changing the name of its subsidiary Consolidated Beverages Ltd., to O'Keefe's Beverages Ltd. No other change is planned for this company which will continue to handle soft drink sales.

Newsprint Output Higher in March

From Our Own Correspondent

MONTREAL. — Canadian newsprint paper mills set up a new record for March, when production totalled 301,110 tons and shipments 290,453 tons, according to figures released by the Newsprint Service Bureau. Returns were again affected by the fact that considerable tonnage was accumulated at points from which water shipments will be made upon the opening of navigation.

Operations in the American mills were also somewhat greater last month, production totalling 82,576 tons, as against 76,507 tons a year ago. Shipments from the American plant totalled 79,570 tons, a gain of about 5,200 tons over Mar., 1936.

During the past month 30,620 tons of newsprint were made in Newfoundland as against 24,095 tons last year, so that the total North American production for the month amounted to 414,306 tons. In Mar., 1936, it was 344,320 tons.

Canadian mills produced 170,677 tons more in the first three months of 1937 than in the first three months of 1936, an increase of 24.6%. The output in the United States was 5,925 tons, or 2.6% more for the first three months of 1936, and in Newfoundland 13,987 tons, or 18.8% more making a total North American increase of 190,589 tons, or 19.1%.

Stocks of newsprint paper in Canadian mills were reported at 84,902 tons at the end of March, and 19,001 tons in United States mills, making a combined total of 103,903 tons. This compares with 90,240 tons on Feb. 28, 1937.

Canadian Papermakers Secure Wage Increase

From Our Own Correspondent

MONTREAL.—Consolidated Paper Corp. put into effect on Apr. 23 a two-cent wage increase to all hourly workers. The addition will benefit 675 employees working in the Wayagamack division of Three Rivers, 580 at the Belgo division at Shawinigan Falls, 650 at the Laurentide mills at Grand'Mère.

A similar increase will be made by Canadian International Paper Co. starting May 1 and affecting 917 employees.

Dom. Engineering Works Reports Gain in Business

From Our Own Correspondent

MONTREAL.— Current business conditions are considered good by the board, according to a statement made by W. F. Angus, president, at the annual meeting of Dominion Engineering Works shareholders. Among recent orders received by the company are the following: one 44-inch blooming mill; four hydraulic turbines, aggregating 80,000 h.p.; a number of pumps; seven ball mills; also two mine hoists.

Saskatchewan Passes 10% Occupancy Tax

The Saskatchewan Legislature has passed legislation permitting cities to levy an occupancy tax on residents renting homes or suites up to 10% of the rental paid.

The tax is permissive and may be applied to either owners or renters or both at the discretion of the city council. If the tax is not paid then the city may cut off services provided.

A $5 poll tax for both male and female residents over 21 years of age who pay no other taxes is also provided.

Both the occupancy and poll taxes carry municipal voting privileges.

THE SYLVESTER MANUFACTURING
COMPANY LIMITED
LINDSAY CANADA
PUSH — HAND
and MOTOR CARS
For Standard or Narrow Gauge
OUR SPECIALTY

Protection for Private Estates

STELCO Chain Link FENCE

Put Stelco—the *Copper Bearing* heavily galvanized, chain link fence — around your property. Erected on Stelco Pipe for rust-resisting, sag-proof permanence. A Stelco Fence never needs painting nor expensive upkeep. Its first cost is its *last*. Made in Canada from ore to finished product. Write for booklet on home fencing. Estimates supplied without obligation.

THE STEEL COMPANY OF CANADA LIMITED
Hamilton: Garfield 1200 Toronto Elgin 5361

KEEP YOUR ENGINE YOUNG with RED INDIAN Aviation OIL FOR MOTOR CARS

TESTS PROVE

That the finest mineral oil breaks down under bearing pressure of 4,000 lbs. per square inch. With the addition of *CLARALLOY the same oil permits motors to operate efficiently under bearing pressure of 12,000 lbs. per square inch.

Triple Film Strength

RED INDIAN AVIATION OIL for motor cars keeps your engine young because *its Triple Strength oil film:*

- Practically eliminates engine-wear due to oil film failure.
- Decreases starting wear providing adequate lubrication even when the motor is cold.
- Positively eliminates bearing wear and corrosion.
- Forms a tough film around abrasive dust particles, decreasing the harmful effects of road dust.
- Increases gasoline mileage by permitting use of lighter grade oils.
- Reduces carbon deposits and oil consumption.

*WHAT IS CLARALLOY?

CLARALLOY is a super-refined chemical whose discovery marks the most advanced development in E.P. (Extreme Pressure) Lubricants. The three outstanding characteristics of CLARALLOY are:

(1) It triples the film-strength of the finest mineral oil;
(2) Makes it cling more closely to metal surfaces;
(3) Creates an increased "oiliness" which gives adequate lubrication under all operating conditions.

Each one of these *additional* qualities, which CLARALLOY gives to Red Indian Aviation Oil, is of vital importance to motorists because each one provides *additional* protection from engine-wear. CLARALLOY plus Red Indian pure, wax-free oil = Red Indian Aviation Oil; the sensational, new lubricant which has Triple Film Strength.

Give your motor the benefit of this great new lubricant *today;* its astonishing protective qualities give value far in excess of the slight extra cost. Change to summer grade NOW—with RED INDIAN AVIATION OIL.

A373

RED INDIAN Aviation Oil for MOTOR CARS

McCOLL - FRONTENAC OIL COMPANY LIMITED

AN ALL-CANADIAN COMPANY

Style YOUR FLOORS WITH... DOMINION Battleship LINOLEUM

CUSTOM-BUILT
to your own specifications

With permanent, easily cleaned Dominion Battleship Linoleum you can choose your floor from no less than 21 different colours and effects, to be laid with or without border or in any tile or special design your taste or the character of your premises, dictates. And this pleasing individuality stays through the years, without the need for costly upkeep. Ask your flooring contractor or large departmental store for estimate and details of our 5-year guarantee.

DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL

HOW MUCH OF YOUR OVERHEAD IS *UNDERFOOT?*

The World's LARGEST SELLING QUALITY PENCIL

VENUS DRAWING PENCILS 10¢

MADE IN CANADA
VENUS
MADE IN CANADA HB

Notwithstanding

that experience has proven failure to make a Will one of the greatest mistakes a property owner can make many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs which you can prevent by taking proper precaution now. Consult your lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

Investors' Chronicle
6d Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post card application to:
THE PUBLISHER,
INVESTORS' CHRONICLE,
20, BISHOPSGATE,
LONDON, E.C. 2, ENG.

For booklet FP and information, call E. C. Mignard, Hotel Ambassador, New York—'Phone Plaza 3-9320 or write General Office, Pinehurst, N. C.

North Carolina
Pinehurst
OVERNIGHT FROM NEW YORK

Canadian Pacific Express Travellers Cheques Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

YOU'LL HOPE SPRING'S ETERNAL AT
CHALFONTE HADDON HALL
Spring is sunnier, healthier, happier at these genial beachfront hotels. Come down soon and share our Ocean Decks, superb meals, and varied entertainment. Rates are moderate.
Leeds and Lippincott Company
ATLANTIC CITY

Rioting and Sabotage Mark Trail of C.I.O. In American Campaign

Survey of U. S. Centres Shows Lawlessness Rampant

AUTHORITY DEFIED

Manifestations of law violation, disorder, and violence have been provoked by or resulted from the C.I.O. drive upon mass production industries of the United States. Widespread alarm has been inspired in that country by such outbreaks, and concern over the threat of their spread to Canada has seized industrialists and public authorities of the Dominion.

Most of the disturbances have resulted from strikes or attempted strikes, particularly the sit-down or stay-in seizures which have afflicted the automobile industry. But in some cases trouble has been provoked by agitation among workers preliminary to a strike.

The general forms of the disturbances and law violation attributed to the C.I.O. campaign may be summarized as follows:

Sit-Down Mania

Illegal seizure of plants and equipment—Sit-down strikes engineered to bring auto producers to terms spread to other automobile plants, other industries, even to retail trade and hotel business. Hysterical mania for sit-downs spread like forest fire, and inspired racketeers to stage sit-downs for their own profit.

Damage to property — Cars and equipment damaged in course of Michigan sit-downs, records destroyed, office equipment broken up, windows and doors smashed as result of clashes with strikers.

Constituted authority defied — Numerous forms of violence have resulted from both strikes and organizing campaigns. Intimidation and assault have been directed against non-strikers and non-unionist, and against company officials barred or ejected from plant offices.

Lack of control—C.I.O. union leaders are also accused of failing to exercise control over their memberships, of calling or permitting strikes in violation of agreements, of directing strikes before negotiations even got under way.

Violence and injury to persons have resulted from clashes of strikers or unionists with police, with anti-union employees of some companies, and with adherents of rival unions.

Major Outbreaks

Among the major outbreaks of violence resulting from the C.I.O. campaign were these:

In Anderson, Ind., a mob of hostile workers broke up a C.I.O. sponsored meeting of auto workers and raided union headquarters.

In Hershey, Pa., a throng of indignant farmers supplying milk to the Hershey chocolate plants descended upon the plants and routed out several thousand sit-down strikers of the C.I.O. chocolate workers' union.

In the Oklahoma and Kansas lead-zinc mining district, adherents of an independent union broke up a C.I.O. rally and wrecked union offices after beating up C.I.O. organizers.

In Flint and other Michigan centres, general disorder prevailed for a time as a result of tension between strikers and non-strikers, and attempts of police to evict sit-downers.

Hayes Steel Profits Rise

Company May Sell Its Unused Chatham Plant

Operations of Hayes Steel Products Ltd. recorded marked improvement in the first quarter of 1937, The Financial Post is informed. It is understood that profits for the quarter were as high as for the entire 12 months of 1936 when net profit amounted to $32,081.

Working capital at the end of 1936 amounted to $377,864, but this has since increased above $400,000.

While the company had orders from General Motors at Oshawa, which have been cancelled because of the strike, this will not adversely affect the company's operations, The Financial Post is informed. Rather it is a welcomed respite which will enable the company to make deliveries on other orders which had been piling up.

It is understood that the company has received and rejected a cash offer for its Chatham plant which is not being used at present. The offer was in excess of the depreciated value of the plant as shown by the balance sheet but the company is hopeful of making an even better deal. If the Chatham plant is sold it is possible that the company will consider redemption of its first mortgage bonds which amount to $218,250.

Shawinigan Net Earnings Gain in First Quarter

From Our Own Correspondent

MONTREAL.—Shawinigan Water and Power Co.'s earnings for the first quarter of 1937 were approximately 15 cents a share greater than for the same period of 1935.

During the first three months of 1937 Shawinigan had a gross revenue of just under $3.7 millions, an increase of $387,000 over the corresponding period last year. The greater proportion of the increased gross was retained, and as fixed charges were less, surplus before depreciation and income taxes totalled $1,116,600 compared with $781,033 for the first quarter of 1936, a gain of $335,567 or around 43%.

Quebec May Tax Utilities To Boost Teachers' Salaries

From Our Own Correspondent

MONTREAL. — Possibility of a special tax to be applied against public utility and newsprint companies in order to provide for higher salaries to teachers in the province, was intimated by Premier Duplessis in the Legislative Assembly.

Harbinger

Union Button Advance Sign of Trouble

On caps and lapels of over 4,000 workers in General Motors of Canada plants, union buttons, like the one pictured below, appeared in the weeks preceding the strike at Oshawa. It is the April membership button of the United Automobile Workers, one of the most aggressive units of the Committee for Industrial Organization.

INTERNATIONAL UNION UNITED AUTOMOBILE WORKERS OF AMERICA
1937
APRIL

Spreading like a rash along assembly lines and through production shops, appearance of the buttons proved a harbinger of the disrupted relations between the company and its workers.

P.E.I. Reports Lower Deficit

Unemployment Relief Costs Reduced Sharply in 1936

Increased revenues and reduced expenditures enabled Prince Edward Island to report substantial improvement in its financial operations in 1936, the over-all deficit being reduced from $1,082,727 in 1935 to $361,711 in 1936.

Direct relief expenditures taken into ordinary account in 1936 amounted to $55,040, compared with $60,881 in 1935. Capital expenditures on relief account in 1935 totalled $908,992 while only $495,811 was expended for this purpose in 1936.

Debt Increases

Total liabilities of the province increased by $215,522 in 1936. The increase in 1935 was $952,292. Gross funded debt at the end of 1936 amounted to $6,029,000 against which there was held a sinking fund of $1,315,832. Unfunded debt amounts to $724,100.

Comparative figures of revenue and expenditures are given below:

Ordinary Account	1936 $	1935 $
Ordinary revenue	1,705,493	1,524,546
Ordinary expenditure.	1,730,147	1,900,843
Deficit	24,654	376,297

Capital Account	1936 $	1935 $
Capital revenue	339,682	390,125
Capital expenditure ..	676,739	1,096,555
Deficit	337,057	706,430

At the recent session of the legislature of the province an act was passed providing for collection of the provincial income tax by the Dominion Government, as is done in Ontario.

Drummond Street Realty Reorganization Effective

Injunction restraining Drummond Street Realty Corp., operating the La Salle Hotel, Montreal, from completing a reorganization adopted by bondholders on Nov. 18, 1935, has been removed. The court has rendered a decision in favor of the company and the reorganization is now being completed.

Holders of 6½% first mortgage bonds, due Feb. 1, 1942, will now receive 60% of their principal amount in new 5% general mortgage income bonds in return for principal and unpaid interest on the old bonds. Of this payment 10% is in settlement of unpaid interest.

For the year ended April 30, 1936, the company reported a net loss of $4,368 before depreciation but after charging bond interest. This compares with a loss of $22,049 in the previous year.

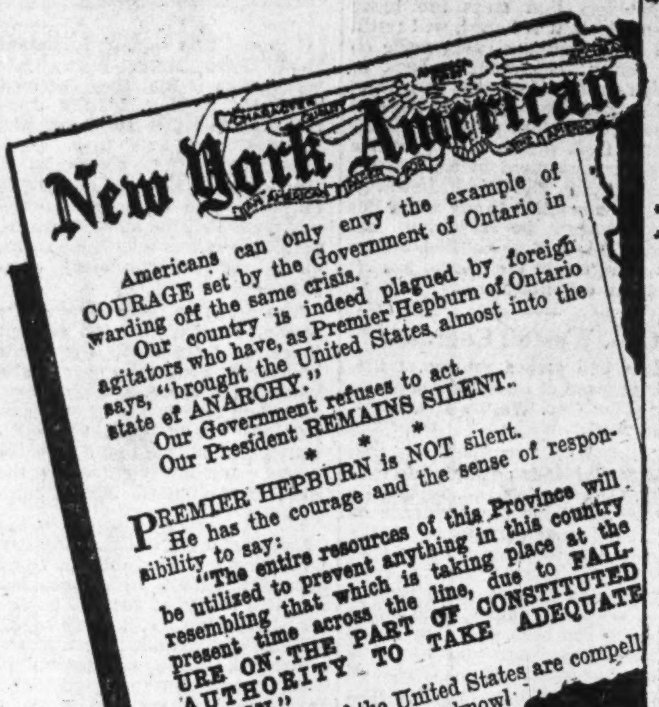
J. H. Penson Appointed To Newfoundland Gov't

J. H. Penson has been appointed a member of the Commission of Government of Newfoundland, succeeding E. N. R. Trentham, former commissioner of finance, who was recently appointed financial adviser to the British Embassy at Washington.

Reds Support C. I. O. Threat

Injection of Communist propaganda into the Oshawa strike situation and generally into the struggle of the C.I.O for power in unorganized industries, was further manifested this week by widespread distribution of a circular by the Communist-controlled Canadian Labor Defense League.

Addressed "to all citizens," the broadside denounced Premier Hepburn's stand against C.I.O. domination of Canadian industry as "a sharp attack on the basic civil rights of the workers." An appeal is made to "all true Liberals and the whole Canadian working class" to mobilize in defense of these rights. Among the rights which the League considers jeopardized and for which the "masses must struggle" to preserve, are freedom to organize, to strike, to picket, to parade and demonstrate.



New York American

Americans can only envy the example of COURAGE set by the Government of Ontario in warding off the same crisis.

Our country is indeed plagued by foreign agitators who have, as Premier Hepburn of Ontario says, "brought the United States almost into the state of ANARCHY."

Our Government refuses to act.

Our President REMAINS SILENT.

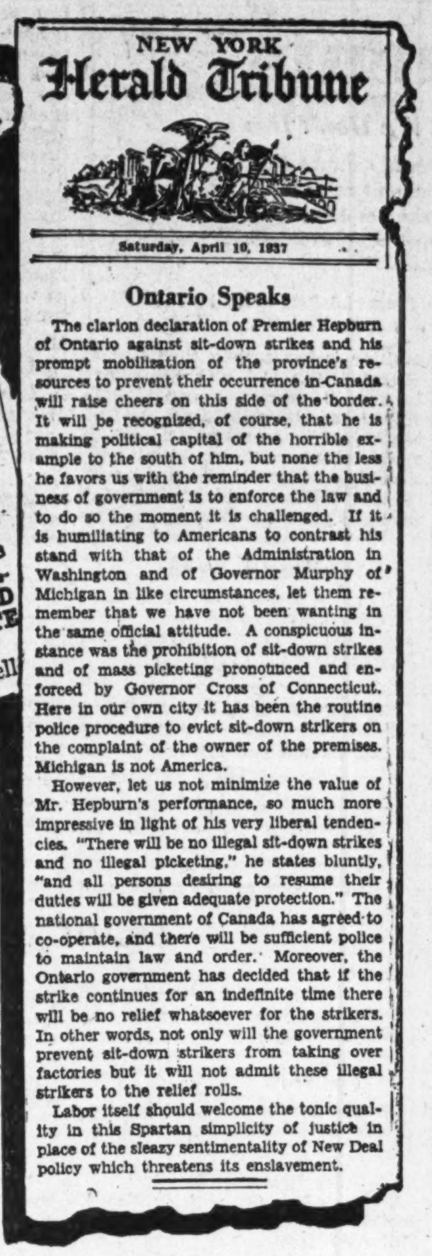
* * *

PREMIER HEPBURN is NOT silent.

He has the courage and the sense of responsibility to say:

"The entire resources of this Province will be utilized to prevent anything in this country resembling that which is taking place at the present time across the line, due to FAILURE ON THE PART OF CONSTITUTED AUTHORITY TO TAKE ADEQUATE ACTION."

The people of the United States are compell
their acknowl



NEW YORK
Herald Tribune

Saturday, April 10, 1937

Ontario Speaks

The clarion declaration of Premier Hepburn of Ontario against sit-down strikes and his prompt mobilization of the province's resources to prevent their occurrence in Canada will raise cheers on this side of the border. It will be recognized, of course, that he is making political capital of the horrible example to the south of him, but none the less he favors us with the reminder that the business of government is to enforce the law and to do so the moment it is challenged. If it is humiliating to Americans to contrast his stand with that of the Administration in Washington and of Governor Murphy of Michigan in like circumstances, let them remember that we have not been wanting in the same official attitude. A conspicuous instance was the prohibition of sit-down strikes and of mass picketing pronounced and enforced by Governor Cross of Connecticut. Here in our own city it has been the routine police procedure to evict sit-down strikers on the complaint of the owner of the premises. Michigan is not America.

However, let us not minimize the value of Mr. Hepburn's performance, so much more impressive in light of his very liberal tendencies. "There will be no illegal sit-down strikes and no illegal picketing," he states bluntly, "and all persons desiring to resume their duties will be given adequate protection." The national government of Canada has agreed to co-operate, and there will be sufficient police to maintain law and order. Moreover, the Ontario government has decided that if the strike continues for an indefinite time there will be no relief whatsoever for the strikers. In other words, not only will the government prevent sit-down strikers from taking over factories but it will not admit these illegal strikers to the relief rolls.

Labor itself should welcome the tonic quality in this Spartan simplicity of justice in place of the sleazy sentimentality of New Deal policy which threatens its enslavement.

U. S. PAPERS LAUD HEPBURN

Millions of words of comment favorable to Premier Hepburn and to Canada have been poured into United States newspaper readers' ears in the past two weeks as a result of the Oshawa strike situation. At first, front-page headlines screamed approval of the stand taken by the Premier against lawlessness. Later this was followed by the type of editorial approval indicated above.

Above is part of a leading editorial which appeared in papers of an important United States newspaper group. At right is the leading editorial of the New York Herald Tribune.

Press Backs Hepburn . . .

Editor's Note: Apart from Toronto Daily Star and Ottawa Citizen, most Canadian and United States newspapers stood solidly behind Premier Hepburn in his determination to prevent lawlessness at Oshawa and resist the onslaught of the Lewis industrial dictatorship. Most active supporters of Hepburn policy have been the Toronto Telegram and Globe and Mail—showing nonpartisan treatment of this important national question.

The following comments from Canadian papers have been compiled from editorial comment reaching The Financial Post in recent days and also in part from a telegraphic survey of Ontario opinion conducted by the Telegram.

Kingston Whig-Standard

Premier Mitchell Hepburn of Ontario is doing the entire province and Dominion a service by resisting the invasion of this country by the C.I.O., which has shown itself by its action in the United States to be an organization which does not respect constituted law and authority. The issue is not better wages or working conditions, but the dictatorship of a group of men who are not as greatly interested in the welfare of the workers as in their own aggrandizement and prestige.

The Whig Standard has no quarrel with trade unionism or with collective bargaining, but it supports the Premier of Ontario in resisting the C.I.O. in securing a foothold in this province, and particularly in Oshawa, to which city our Provincial and Federal Governments have contributed 80% of relief expenditures for a number of years.

* * *

Welland-Port Colborne Tribune

Premier Hepburn is determined that any dispute between employers and employees must be decided on the merits of the case, and agitators will not be allowed to use any dissatisfaction or alleged dissatisfaction, to be the basis of class strife or of open conflict with constituted authorities of the province and the Dominion. It is desirable that the interests of the working man should be safeguarded by those who are competent to do so. But if they follow a policy which goes contrary to the laws of the land, they cannot expect to win the sympathy or support of a majority of the people.

* * *

Stratford Beacon-Herald

The Beacon-Herald stands firmly behind Premier Hepburn in his declaration that law and order must be maintained in the Oshawa arena. We don't want sit-downs or other illegal practices to creep into labor disputes in Canada.

Where we disagree with the Premier is in his refusal to confer with the international officers and organizers of the United Automobile Workers of America. As head of the Ontario Government he offered his services as a mediator between company and employee representatives. A mediator should approach his task ostensibly with an open mind.

But Premier Hepburn announced at the outset that he would not negotiate with the chosen representative of the workers. He declared that he would stand solidly beside the company in its opposition to "paid, foreign agitators." That, we think, was not only an unreasonable position, but a tactical error. The Premier thus denied the right of the employees to chose their own representatives and he lost their confidence. Mr. Hepburn, by his own action, had added greatly to the difficulties of his task.

* * *

Ottawa Le Droit

Mr. Hepburn is right in his suspicions of the labor union which wants to establish itself there to dictate its will. The C.I.O. does not give the necessary assurance, either from a national autonomy point of view, or from that of industrial peace. Moreover, the Prime Minister has much evidence showing the sympathy existing between the C.I.O. and Communist organizations. He is, therefore, justified in his energetic opposition to Mr. Lewis and his unions meddling with our industries and unions.

* * *

Woodstock Sentinel Review

In deciding that C.I.O. tactics, as demonstrated in the United States, could not be tolerated in this country, Premier Hepburn has struck a blow for the preservation of Canadian traditions that ought to place his name in the roster of the Dominion's great men.

Canadians have watched the attitude of Governmental authorities over the border in connection with sit-down strikes and have concluded that Canadian institutions ought not to be exposed to this grave threat. Premier Hepburn courageously interprets that conclusion and should be accorded the commendation of all those who believe that we have in Canada certain rights and liberties that are worthy of the most vigorous defense.

* * *

Kitchener Record

Evidently Premier Hepburn sincerely believes that this is the start of an American invasion into Canadian industry. He has said that he will bitterly oppose outsiders wielding unfair power over Canadian workmen and industries, because once a foothold is obtained the agitation will spread rapidly to the pulp and paper and mining industries, creating eventually something of an industrial chaos. It might be mentioned that during bad times the mines paid good wages and there was no hint of strikes.

If Premier Hepburn can convince the public that the C.I.O. is Communistically inspired, he will find plenty of support throughout Ontario. If he is wrong, he is taking his political life in his hands. It is to his credit that he has not pussyfooted, not trod the middle path or been indecisive, but he has made up his mind and gone ahead.

* * *

Canadian Observer, Sarnia

Having watched the course of these sit-down strikes beyond the border, with their complete disregard of law, order and the rights of citizens, Premier Hepburn decided that such tactics could not be tolerated in this country and he has struck a blow for the preservation of Canadian traditions that ought to place his name in the roster of this nation's great men for all time to come. For that reason he ought to be accorded the enthusiastic support of both political parties, for he has shown courage and determination that are unfortunately lacking in the qualities of most political leaders today.

* * *

Brantford Expositor

Premier Hepburn has taken the position that he will not admit representatives of a lawless organization to participate in the settlement of a purely Canadian industrial dispute. The question is no longer one of an effort to improve the conditions and wages of Canadian workers, but whether or not the latter shall become an adjunct of a revolutionary agency in the United States that appears to be strongly tinctured with Communism. The battle has been joined and as far as Ontario is concerned there should only be one issue and that the defeat of the outside agitators.

* * *

Calgary Herald

The Ontario Premier's stand against the importation into this country of the revolutionary tactics of the Lewis organization has been widely commended in the United States which has seen how a well-organized minority can ride rough shod over constitutional rights of property and defy the authorities on many occasions. Canadian labor troubles can be dealt with along more legal and peaceful means, and troublemakers from across the border are not wanted in this country. For that reason Mr. Hepburn's attitude will be generally approved at home, as it has been abroad.

* * *

Hamilton Spectator

Mitchell Hepburn has taken his political fortune at the flood, and the fault will definitely be in his stars rather than in himself, if he becomes an underling. He is the man of the hour in one of the most important industrial quarrels in the history of North America, and he has achieved this position because, when he was faced suddenly with a crisis, he made up his mind quickly and has since held to his purpose without wavering. It does not matter to him whether his Cabinet disrupts over the C.I.O. issue or not, he will obviously still remain adamant in his refusal to countenance any political intrigues by followers of John L. Lewis in Ontario.

We have disagreed with Mr. Hepburn, but we concede to him the quality of directness. His policies and his political technique are clear-cut and dramatic, and it can be said of him perhaps more than of any other man in Canadian public life today that he has the full courage of his convictions. He never pussyfoots; he rarely hedges and he cannot easily be diverted from any path he has decided to follow. When he changes his mind, or decides that a certain course he has been following is unwise, he changes abruptly, as he did in connection with the separate schools issue.

* * *

London Free Press

The C.I.O. of itself may not be a Communistic organization, but there is plenty of evidence that Communistic agitators are taking advantage of its methods to stir up trouble. Mr. Hepburn has placed his face firmly against Communism gaining a foothold in Ontario and in this position he will have the support of all loyal citizens.

Mr. Hepburn is impulsive and impetuous and he may have made mistakes. He was quoted as saying that he was 100% behind General Motors. We do not believe this is what he meant. In fact, he has made this clear since. He does stand for the maintenance of law and order. He does not propose to permit lawlessness in the strike area. His purpose is to protect life and property and to use his influence to secure a settlement of the troubles that will be fair to all. This is what Mr. Hepburn is endeavoring to do and in this position the law-abiding people of Ontario, irrespective of politics, will be behind him.

Income Tax Problems

I read in your issue of April 17 an article "Easing The Income Tax Load" written by Thomas C. Thompson in which he states it is possible to live in the Dominion 182 days in the year and pay no income tax. What is Mr. Thompson's authority for this interpretation of the act?

In the "office consolidation," Oct., 1933, of the Income Tax Act, on Part 3, section 9, it is stated that "There shall be assessed, levied and paid upon the income during the preceding year, of every person . . . . who sojourns in Canada for a period or periods amounting to 183 days during such year; . . . . . a tax at the rates applicable to persons, etc., etc."

The article appearing in The Financial Post stated that "It is possible to live in Canada 182 days and pay no income tax," but it should be realized that as in almost every other aspect of income tax legislation, varying circumstances can result in various interpretations of the law. Thus the income tax department would probably interpret the 183 days' sojourn to apply to those who are transient rather than ordinary residents of Canada. For example, anyone who has an established residence abroad and who is not an ordinary resident of Canada could spend 182 days in the Dominion without incurring income tax liability, if this income derived from sources outside Canada, but the regulation does not exempt ordinary residents of Canada from income tax, nor would it exempt a transient whose income derived from services or sources in Canada. In brief, the law considers anyone who sojourns in Canada 183 days in the year to be a resident, for income tax purposes, but not if he terminates his sojourn in 182 days.

* * *

Group Insurance Payments

Is it necessary to pay income tax on a group life insurance premium paid by one's employer? What is the status of that part of the premium paid by the employee and deducted from his salary?

The income tax division would not consider premiums paid by your employer to be part of your income under the circumstances, and you would not be required to report them as taxable income. In turn, your employer would include the payment of such premiums as part of his business expense deductions, for corporation income tax purposes. The portion of the group insurance premium paid by yourself and deducted from your salary is not reported separately by your employer but included in the total amount paid as salary to the employee. You would consequently report it as part of your salary income.

* * *

Premiums Are Taxable

Can life insurance premiums be claimed as a deduction from income?

No. Such premium payments cannot be claimed as a deduction from income because these are regarded as a form of savings or investment, the proceeds of which are not taxed under the income tax regulations.

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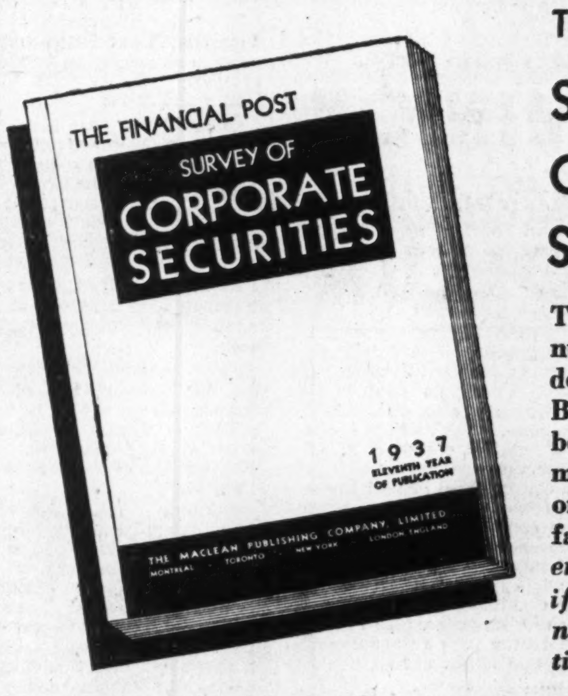
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Canadian Car

Please let me know if Canadian Car and Foundry Co. will pay a dividend on its preferred stock this year?

Canadian Car and Foundry Co. has a much larger volume of business on its books and earnings for the current year are expected to show an appreciable improvement. While you will appreciate that it is impossible to forecast just what the board of directors will do, the odds are in favor of a dividend payment being made to preferred stockholders.

Inter-City Western

Please let me know the market value of Inter-City Western Bakeries 6½% bonds and also your opinion as to current position of that enterprise.

Inter-City Western Bakeries 6½% bonds, 1950, have a very inactive market, being currently quoted around 56 and 59. As you are probably aware, this company is in the hands of a bondholders' committee, having defaulted on its bonded obligations. Recently the company paid a coupon and, we understand, there is a possibility of the company being able to pay one coupon a year.

Canadian Marconi

Would you please let me know something about the current business of Canadian Marconi Co.?

Canadian Marconi Co.'s current business is understood to be greater than a year ago. Along these lines the company recently let a contract for the expansion of its Montreal plant, which will more than double the floor space now occupied. This addition will be used for general manufacturing purposes and is indicative of the better volume of business enjoyed by the company.

So far Canadian Marconi Co. has not been able to establish substantial earnings on its common stock. There is a large number of shares outstanding and income on a per share basis is negligible. No dividends have been paid and there is no immediate prospect of any distribution.

St. Lambert

What is the present situation in regard to City of St. Lambert bonds?

The City of St. Lambert is at present under the supervision of the Quebec Municipal Commission. We have not as yet received the city's 1936 report. The situation, however, is that it is not meeting principal maturities and is about five months behind in meeting interest coupons. The Quebec Municipal Commission had authorized the payment of interest coupons of Nov. 1, 1936. Interest to that date is also being paid on past due bonds. The policy in regard to municipal defaults in Quebec is to pay interest coupons as money becomes available for this purpose. All expenditures have to be approved by the Municipal Commission and its policy is to keep expenses at a minimum.

Canada Paving

What progress is being made in winding up Canada Paving and Supply Corp.?

Canada Paving and Supply Corp., Windsor, has been in liquidation for a number of years. To date all ordinary creditors have been paid off and the amount owing to the bank has been reduced from $350,000 to $75,000. The Guaranty Trust Co., as liquidator, has refrained from distress selling and there is still a large amount of assets to be disposed of, including the company's plant and real estate. Eventually there will probably be some payment on the preferred shares. The possibility of any payment on the common, however, is remote.

Goodyear Tire

What are the prospects for market appreciation in the common shares of Goodyear Tire and Rubber Co. as a result of increased earnings?

Goodyear Tire and Rubber Co. is again having good earnings, but it is affected to some extent by the strike at the Oshawa plant of General Motors. The price of the common stock is already discounting possible higher profits. As with other high quality stocks the outlook appears to be for comparative stability of income rather than sharply higher profits.

Northern Ont. Bldg.

I am considering the purchase of a 6½% bond of Northern Ontario Building, due 1939. What is the likelihood of these bonds being met at maturity?

As at Dec. 31, 1935, there were outstanding $650,000 of 6½% first mortgage bonds of Northern Ontario Building out of an original issue of $850,000. Interest payments have been maintained, but since Apr. 1, 1932, interest has been paid in Canadian funds only while the trust deed provides for optional payment either in Canadian or U. S. funds. Furthermore, sinking fund is in arrears.

In view of the nearness of the maturity date for these bonds and considering the fact that the company has not maintained interest and sinking fund payments as provided by the trust deed, there would appear to be some doubt as to whether the company will be able to pay off the bonds at maturity. Some compromise such as extension of maturity may be necessary. On the other hand it may be possible for the company to arrange a refunding issue. In purchasing these bonds, however, you would be running the risk of becoming involved in some form of reorganization. We have no information on earnings as the company does not publish a financial statement.

United Grain Growers

I am interested in the common stock of United Grain Growers. I would appreciate some information on its capitalization, earnings record and prospects.

United Grain Growers Ltd. has approximately $3.3 millions of first mortgage bonds outstanding. Paid up common share capital amounts to about $3.2 millions.

Earnings on the common stock have fluctuated rather widely, deficit in the 1929-30 fiscal year being equivalent to nearly $5 a share and profits in 1932-33 amounting to $2.10 a share. In the fiscal year ended July 31, 1936, earnings on the common amounted to only three cents a share, compared with $1.18 a share in the previous 12 months.

Despite the sharp decline in earnings the company paid a dividend of 75 cents a share in 1935-36, payment being made out of accumulated surplus. Working capital remained practically unchanged at $1.7 million.

Due to the comparatively moderate capitalization and the diversity of the company's activities, the common shares are somewhat less risky than other grain company stocks.

Mercury Mills

What is the present position of Mercury Mills 5½% bonds? How many are outstanding? What is the approximate price at present?

Mercury Mills has $1,310,000 of 5½% bonds outstanding on which sinking fund is four years in arrears. Sinking fund arrears amount to $160,000. While earnings have been poor throughout the depression, interest has been paid in full. In the years 1930-32 inclusive the company reported an operating deficit and in no year since has bond interest been earned in full after depreciation. In 1936 interest was earned 1.41 times before depreciation and 0.77 times after depreciation. This compares with 1.48 times and 0.23 times respectively in 1935. Earnings in 1936 were adversely affected by extreme competition in the silk hosiery industry, higher raw material prices and increased taxation. Prospects for 1937 are more favorable as contracts for raw materials are well below current market levels.

Some form of capital reorganization to eliminate sinking fund default and arrears of preference dividends, which amount to $36 a share, is a distinct possibility. The bonds are quoted at 78½ bid, 81½ asked.

Dominion Bakeries

I would appreciate some information on the present position of Dominion Bakeries.

Dominion Bakeries Ltd. no longer operates as a bakery concern, but rents its properties to independent firms. It is controlled through stock ownership by Maple Leaf Milling Co., to which it also owes $250,000 of advances. The balance sheet shows a nominal equity of $37.65 a share for the first preferred stock, and no equity at all behind the second preferred and common shares.

If the company could be liquidated proceeds might possibly permit a small payment on first preferred after paying off the Maple Leaf Milling Co. loan. It should not be overlooked, however, that even the first preferred is in a very doubtful position and might not receive any return in liquidation.

Manitoba Bonds

I hold some Manitoba bonds and would be interested in your comments on the financial position of the province.

Manitoba's financial difficulties are serious, but there is no immediate danger of default. Default or cut in interest has, however, only been avoided through the action of the Dominion Government in granting a temporary subsidy of $750,000 pending the report of a royal commission which is to investigate the division of taxation and financial responsibilities as between the Federal Government and the provinces. It is expected that the royal commission will make recommendations which will ease the financial burdens of the Prairie Provinces and place Governmental services on a more efficient basis through elimination of duplication. Manitoba's position is less serious than that of Saskatchewan and with the return to normal conditions could probably meet its obligations in full, especially if some adjustment is made in Dominion-provincial relationships. A good wheat crop at present prices would brighten the financial picture materially.

Quinte & Trent

I hold a $1,000 bond of Quinte and Trent Valley Power Co. What are the prospects of a payment on this bond?

The outlook for Quinte and Trent Valley Power Co. is not particularly bright. At the present time bondholders are in complete control of the company. No interest has been paid on the bonds since 1930 and no provision made for depreciation. Recently bondholders approved further postponement of interest and sinking fund to July 1, 1938, and appointed a committee to act for bondholders. The committee has wide powers, including full authority covering operations and possible receivership or reorganization. The company has had an operating loss in every year since 1932.

Hudson's Bay Co.

What are the prospects for dividends on the common stock of Hudson's Bay Co.?

Hudson's Bay Co. will, on May 1, pay all arrears of dividends on its preferred stock. The company should do better on the basis of present grain prices if reasonably good crops are harvested in western Canada. It seems to be likely that at least another year's delay will take place before dividends on the common can be expected. However, there is some optimism for the company's future in London which is reflected in the rise of the shares. Net profit in 1936 amounted to £226,695 as compared with £144,717 in 1935.

Abitibi Bonds

Will you please give me your views on Abitibi Power and Paper Co. 5% bonds, with regard to short term and long term prospects?

Abitibi bonds are likely to receive highly preferential treatment in the forthcoming capital reorganization, but may be subject to new borrowings of some $7 millions for rehabilitation purposes. There is a growing opinion among major investors that they should receive full value for the bonds plus interest, and interest on the deferred interest, a total of about 130%. This is reflected in the rise of the bonds well above 100. Thus, for the short term, there are still favorable possibilities.

For the long term, it should be remembered that Abitibi is a widely spread organization, with newsprint mills in three provinces. This scattering of operations makes it more difficult to appraise the situation as a whole. You might be better off with bonds of a more unified company.

Candn. Terminal System

What is the outlook for the income bonds of Canadian Terminal System?

The outlook for the 20-year 6% income bonds of Canadian Terminal System is not very bright. The Financial Post was informed late last year by the trustee for the bondholders that steps are being taken which, it is hoped, will result in a small payment being made on the bonds. The security back of these debentures consists largely of real estate. Liquidation of some of these properties together with income from others may permit a temporary payment in the not too distant future. The trustee, however, is not in a position to say when this payment can be expected, but bondholders will be notified. As far as we are aware there is no market for these debentures.

Geo. Weston Common

Can you give a review of the recent trend of earnings and prospects for Geo. Weston Ltd. common stock?

After dividends on the preference stock, Geo. Weston Ltd. reported a balance available for dividends on the common amounting to $1.11 a share in 1936 as compared with $1.08 in 1935. In the 1936 year, the company paid dividends of 85 cents a share on its common stock. The company has been exanding rapidly in recent years and has now acquired control of McCormick's Ltd. The common shares were split in 1934 and 1935 on a two for one basis and net profits rose in this period to a point almost sufficient to maintain per share earnings on an equivalent basis. Results in 1936, however, indicate that earnings may not rise as rapidly in the future. The company has a substantial interest in the manufacture and sale of biscuits in the United States as well as in Canada and has carried out its expansion at a period when plants could be acquired at low cost. There is some ground to believe, however, that the question of rising costs was largely responsible for the failure of the company to show the expected increase in earnings in 1936.

Fairchild-Aircraft

I have been left as a legacy some shares in Fairchild Aircraft. I do not know anything about this company and would like to have some information.

Fairchild Aircraft was organized in 1920 to manufacture Fairchild airplanes in Canada and to carry on the business of sales of aircraft formerly conducted in this country by Fairchild Aviation Corp. of New York. The following year it completed construction of a plant, flying field and seaplane base at Longueuil, P.Q. Gross sales of the company have increased from $122,000 in 1933 to $206,900 in 1935. For the first 10 months of 1936 gross sales totalled $315,400. So far the company has not reported any profits on its share capital, but the loss has steadily declined and for the first 10 months of last year amounted to only $9,213.

Montreal Tramways

Will you please let us have your candid views on the safety of the Montreal Tramways Co.'s general mortgage bonds? Is there any chance of the company not being able to pay these bonds off at maturity?

Under ordinary circumstances Montreal Tramways Co. should have no difficulty in refinancing the general mortgage 5% bonds, 1941, when they mature. The only uncertainty in the outlook is whether or not any change will be made in the contract between the company and the city of Montreal. There has been a fair amount of agitation over the last two or three years for a revision of this contract and a reduction in the charges made on the company's capital. Such a change would have to be approved by the Quebec Legislature, as the contract is written into the statute books. While it is unlikely that anything will be done to the contract to endanger the position of the bondholders, still a lessening of the company's rights may have an influence upon the ability of the company to refund the general mortgage bonds on favorable terms. At this time it is difficult to appraise this feature of the situation. One may be laying undue stress on the current agitation for a revision of the contract, yet, nevertheless, it is a factor to bear in mind in appraising the ability of the company to take care of the general mortgage bonds when they mature.

Gatineau Power

I am considering buying some of the debentures of Gatineau Power Co., which I note mature in 1941. Is there any doubt of the company's ability to redeem these bonds at that time?

Reference is made in the 1936 report of Gatineau Power Co. to the question of redeeming the 6% debentures when they mature in 1941. At present there are outstanding around $15 millions of these debentures. The charges have been earned regularly and with the straightening away of the contract with the Ontario Hydro, the earning power behind the security has been stabilized. It is out of the question to be positive in an opinion on the ability of the company to redeem these bonds when they mature, but if there is no set-back, there does not appear to be any reason why Gatineau Power should not be able to provide for the refunding of the debentures by 1941.

Canada Cement Co.

Will you please let me have your views on the prospects for the common stock of Canada Cement Co.

Canada Cement Co.'s gross earnings of $2.6 millions for the fiscal year ended Nov. 30, 1936, were the largest shown since 1931. Net profit was equal to $3.30 a share on the 6½% preferred stock, as against 19 cents a share in 1935. It is anticipated that earnings during the current year will be larger, not only due to an increase in sales of cement, but also the possible lowering of interest charges following the refunding of the old bonded debt.

The company has always been able to show earnings equal to bond interest and depreciation, although the depreciation allowance was greatly reduced during the period of low earnings. The balance available after payment of preference dividends has never been great, the highest earnings on the common stock being 39 cents a share in 1929.

The prospects for business during the current year are considered fair by the president. It is anticipated that the company may be able to show its preferred dividend earned, though the amount for distribution on the common stock may not be very large.

Candn. Western Gas

I hold some preferred shares of Canadian Western Natural Gas, Light, Heat and Power Co. In view of the president's remarks with regard to depletion of gas in the Turner Valley field is there any possibility of the company being faced with a shortage in the immediate future?

There does not appear to be any immediate danger of Canadian Western Natural Gas encountering a shortage in gas supplies. True the reserves in that field are, in the absence of any effective plan of conservation, steadily being depleted through the withdrawal of gas for gasoline abstraction purposes. However, it is probable that the supply will last for some years as yet and in order to protect its supply the company has for some years been repressuring the Bow Island field. There are also more distant proved fields which assure the company of long life and continued existence although the construction of very long transmission lines will, of necessity, mean higher rates to the company's customers.

Ford of Canada Accounts

I would like some information about Ford Motor stock. My recollection is that they received dividends from subsidiary companies amounting to about $2.5 millions and that they carry investment in these companies on their balance sheet at about $6.5 millions. The statement of the auditor is that the amount paid in dividends is less than the amount earned by the subsidiary companies.

The profit on these investments seems very high on the amount invested. I would like to know what these companies earned and what is the value of their assets. Complete statements of the subsidiaries would be very interesting. The point is that Ford stock seems very low considering the high yield of these foreign companies.

Ford Motor Co. of Canada showed a net profit from Canadian operations of $1,025,000 in 1936, contrasting with a loss of $403,000 in 1935. Investment income, largely of $2.5 millions of dividends from affiliated companies, raised net profits for 1936, after income tax, to $3,358,000. This compares with $1,939,000 in 1935, most of the profit in that year coming from affiliated companies' dividends of $1.9 million. The final profit, therefore, amounted to $2.02 a share in 1936, compared with $1.17 a share in 1935.

There are two important points of note:

1. President W. R. Campbell stated in the 1936 report that improvement in the net financial results for the year, despite reduced sales volume, was due to substantial reductions in costs of production. This explains the Canadian operating profit contrasting with the 1935 loss.
2. Dividends of $2.5 millions from subsidiaries in 1936, compared with $1.9 million in 1935 were not as large as the earnings of those companies, but results for the individual subsidiaries are not available. Consequently, it is not easy to co-relate the Canadian earnings and those from affiliated companies.

Ford Motor Co. of Canada carries the investments in capital stocks of affiliated companies at only $6.2 millions, which is the approximate initial cost. This is very small in relation to the dividends received in the past few years. Possibly the earnings of subsidiaries depend to some extent upon the price at which units may be billed to them by the Canadian company. That is, intercompany accounting may allow the subsidiaries a disproportionate share of the combined earnings, so the dividends from subsidiaries may be overemphasized. The earnings should be considered in combination, as representative of the results of the whole organization of the Canadian firm and its affiliates. On the current yield basis of about 4.1% Ford shares compare favorably with other leading stocks, but earnings in the past have been somewhat irregular.

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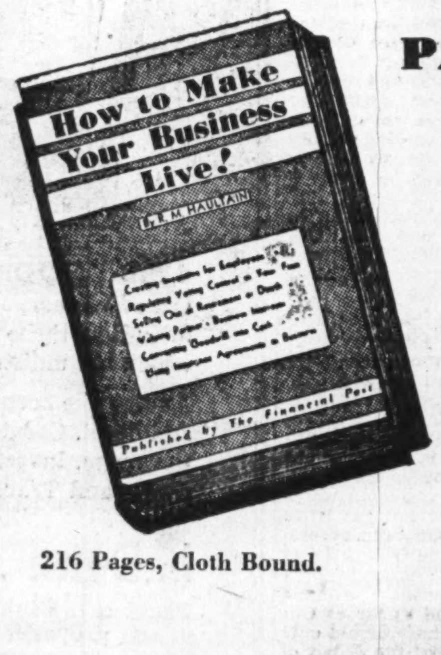
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You may print this letter if you think it would help sell this book.

Yours truly,
J—— W——
C/o The —— Life Assurance Co.

How to Make Your Business Live
by R. M. HAULTAIN
Official Canadian Text for C.L.U. Degree Course.

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Profitable

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CANADIAN SECURITIES
Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing
DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

YIELD
plus security

With the lowering of interest rates, many investors are finding their income sharply reduced. The problem of maintaining income and security is a serious one.

We believe the 5¼% Cumulative Preferred Shares of Anglo-Canadian Telephone Company adequately meet this need. The shares at current market yield 5¼%.

Full particulars on request.

W. C. Pitfield & Company
Limited
235 St. James Street MONTREAL
80 King St. West TORONTO
Ottawa Vancouver Quebec London, England Saint John New York Halifax

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
AGENCIES:
EQUITABLE LTD., Calgary, Alberta
BUTLER BYERS BROS. LTD., Saskatoon, Sask.
McCALLUM-HILL AND COMPANY, LIMITED, Regina, Sask.
J. K. RINGLAND & COMPANY, LIMITED, Herald Building, Lethbridge

RELIANCE GRAIN COMPANY LIMITED

And Its Subsidiaries

Alliance Grain Company Limited and Province Elevator Company Limited

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1936

ASSETS

Current Assets:		
Cash in Office and in Hands of Paying Agents		$ 26,534.36
Grain, Coal and Wood—per inventories certified to by responsible officers of the Company—		
Grain (after deducting stored grain) located at country, terminal, eastern and seaboard elevators, valued on the basis of market prices, December 31, 1936	$3,723,149.63	
Coal and Wood, located at country elevators, at cost	41,333.33	
		3,764,482.96
Accounts and Advances Receivable		170,477.80
Accrued Storage on Stored Grain		8,494.08
Interest Prepaid		4,514.43
		3,974,503.53
Farm Property, Mortgages and Agreements, at book values		57,834.15
		4,032,337.68
Investments In and Amounts Owing by Subsidiary and Allied Companies:		
Smith-Murphy Company Inc.—Shares at cost, being less than value at date	250,000.00	
Smith-Murphy Company Inc.—Current Account	54,517.68	
Smith, Murphy & Milroy Limited—Shares at written down book value, being less than value at date	32,000.00	
Smith, Murphy & Milroy Limited—Current Account	32,879.21	
		369,396.89
Memberships and Shares:		
Grain Exchange and Other Trade Associations, (Market Value $172,102.00), at cost		102,091.06
Properties:		
Terminal Elevator Site, Buildings and Machinery, and Country Elevators, Dwellings, Flour Sheds and Coal Sheds valued at— (a) Appraisals of properties at inception of Company by The Barnett-McQueen Construction Company Limited, dated November 5, 1927, respecting Terminal property, and by N. E. Knudtsen & Son Limited, dated November 9, 1927, respecting Country properties and (b) Cost respecting subsequent additions	4,303,251.37	
Less Reserves for Depreciation	1,635,817.68	
	2,667,433.69	
Automobiles, at depreciated value	5,757.70	2,673,191.39
		$7,177,017.02

LIABILITIES

Current Liabilities:		
Bank Loans (Secured), and Current Account Balances—net		$1,855,670.19
Accounts Payable		393,322.74
Bond Interest, payable January 2, 1937, and prior		48,513.00
Provision for Dominion and Provincial Taxes		69,115.42
		2,366,621.35
First Mortgage and Collateral Trust Sinking Fund Twenty-Year Gold Bonds:		
Authorized	$5,000,000.00	
Issued—Series "A" 6% maturing January 2, 1948	2,000,000.00	
Less Amount redeemed through Sinking Fund	402,600.00	
		1,597,400.00
Capital and Surplus:		
6½% Cumulative Preferred Redeemable Stock Authorized—30,000 shares of $100.00 each, of which 20,000 shares are issued	2,000,000.00	
Common Stock of No Par Value Authorized and Issued—100,000 shares	100,000.00	
Capital Surplus	313,040.55	
Earned Surplus, per statement attached	799,955.12	
		3,212,995.67
Contingent Liabilities— Guarantees to Bank on account of certain customers against property pledges. Drafts against Grain Documents $583,764.03 and Bills Receivable $9,545.92 under discount.		
		$7,177,017.02

Approved on behalf of the Board,
Sidney T. Smith, Director.
W. A. Murphy, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the accounts of the Reliance Grain Company Limited and of its Subsidiaries, the Alliance Grain Company Limited and the Province Elevator Company Limited, for the year ended December 31, 1936, and have obtained all the information and explanations we have required. In our opinion the foregoing Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the above Companies as at December 31, 1936, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

The Company's share of the profits of Smith, Murphy & Milroy Limited of Vancouver, and the profits of Smith-Murphy Company Inc. of New York, have not been taken into account. The dividend of $19,000.00 received from Smith-Murphy Company Inc. during 1936, and included in the Company's net profit for the year, exceeds its share of the profits of its two subsidiaries above mentioned for the year 1936 by $555.53.

Winnipeg, February 17, 1937.

WILLIAM GRAY & CO.,
Chartered Accountants.

EARNED SURPLUS ACCOUNT—DECEMBER 31, 1936.

Balance as at December 31, 1935	$ 675,238.33
Net Profit for the year ended December 31, 1936, as per Statement of Income and Expenditure attached	254,716.79
	929,955.12
Deduct	
Dividends on 6½% Cumulative Preferred Redeemable Stock for the period from December 1, 1935, to November 30, 1936	130,000.00
Balance as at December 31, 1936	$ 799,955.12

Life Insurance

Women Buy One-Fifth Confederation Policies

Average Policy Written Last Year Amounted to $2,159

About 19% of the total number of policies and 15% of the total volume written were on the lives of women, according to a recent survey by Confederation Life Association of its 1936 Canadian business.

The average policy taken by men was $2,272; by women, $1,739. Less than 1% was written on a joint life basis. Women purchased slightly more pension and retirement income bonds than men, but men, with their generally greater need for protection of dependents took seven times as many insurance pensions as women.

Participating policies made up 63% of the total number and 51% of volume written in Canada, with the average amount for participating policies $1,742, as compared with $2,857 for non-participating contracts.

Considerably more than half new 1936 business was on lives of policyholders between the ages of 20 and 40. Classified according to the age of the buyer, the greatest number of policies was bought by persons between 20 and 24, this group accounting for one-fifth of the total. The percentage bought by those in the higher age brackets then gradually declines until those over the three score mark account for only 1% of all policies issued.

Amount Varies With Age

In respect to the amount of insurance purchased, most—16%—was sold to the 25 to 29 age group, with 20- to 24-year-olds next in line with 15% and those between 30 and 34 and between 35 and 39 each comprising 13%. The average amount of policies rose steadily with the age groups until a peak of slightly over $4,000 was reached on those insuring policyholders between 55 and 59. The average for those over this limit dropped to $3,639. Average policy written on all ages was $2,159.

Detailed figures follow:

Age Classification

Age Group	Number of Policies	Amount of Insurance	Average Policy
Under 10	7%	4%	$1,180
10 - 14	4%	2%	1,250
15 - 19	10%	7%	1,398
20 - 24	20%	15%	1,642
25 - 29	17%	16%	2,084
30 - 34	11%	13%	2,565
35 - 39	10%	13%	2,739
40 - 44	8%	11%	2,967
45 - 49	6%	8%	2,996
50 - 54	4%	5%	3,019
55 - 59	2%	4%	4,044
Over 60	1%	2%	3,639
Total	100%	100%	$2,159

Insurance Inklings

A. C. L. WILDMAN, formerly of London, Ont., has been transferred to Toronto as Ontario superintendent of the Continental-Fidelity Phenix-Niagara group of insurance companies. **G. S. PEARCY, Jr.**, has been appointed hail manager at London.

D. F. S. BOYTON has been appointed to take charge of the new office of the Canadian Underwriters' Association at Fort William which will be opened about May 1.

F. R. McDOWELL has been appointed assistant branch manager of the London & Lancashire Insurance Co. at Winnipeg

D. B. GOODMAN, formerly in charge of the Toronto city department of Massie & Renwick, Ltd., has been appointed agency superintendent for Ontario.

F. E. HALL has been appointed inspector in Ontario of the fire department of the Yorkshire Insurance Co. and the London & Provincial Marine & General Insurance Co.

V. H. BROWN has been appointed district manager for Waterloo County by the Canada Life Assurance Co.

C. B. DEVOL, Jr., has been appointed agency supervisor for the Chicago branch of the Great-West Life. He was formerly associated with the Cyzio Service organization in Chicago.

F. W. BAGLEY has been appointed district manager of the Monarch Life at Timmins Ont. He was formerly district manager at Portage la Prairie.

The company's experience last year indicates that most people prefer ordinary life policies, with no frills added. Straight life amounted to 29% of the number of policies issued, and 26% of the total insurance involved. Limited life policies were just behind straight life in number of policies issued but accounted for but 17% of total business. Insurance pensions, which accounted for 18% of policies, contributed 24% to volume.

Policy plans with highest average amount of insurance were found to be income contracts—pension bonds and retirement income bonds—which entailed $4,594. Term insurance followed closely with an average amount of $4,537. It is of interest that the average amount of the life policies was less than the average for such higher-premium plans as insurance pensions and endowments maturing in less than 20 years. Classification of business by types of policies is as follows:

Types of Policy

Policy Plan	Number of Policies	Amount of Insurance	Average Policy
Life	29%	26%	$1,893
Paid-up Life	4%	6%	3,625
Limited Life	28%	17%	1,295
Endowments	12%	9%	1,702
Term	4%	8%	4,537
Pens. & Ret. Inc. Bonds	4%	9%	4,594
Ins. Pensions	18%	24%	2,860
Child. Options	1%	1%	1,071
Total	100%	100%	$2,159

$1,143,727 in Dividends

PAID TO OUR POLICYHOLDERS IN 1936

Each year this "mutual" company distributes its surplus or profits to the policyholders in the form of dividends. Why not earn dividends on YOUR fire insurance in 1937?

BRANCHES ACROSS CANADA
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Victoria
Kelowna
Vancouver

NORTHWESTERN MUTUAL FIRE ASSOCIATION

Non-Assessable Policies Assets $6,000,000.

Nothing . . . can hold back the dawn

A new day breaks, just as surely, for the person who has contracted with a life insurance company for an income to replace his earnings when they are cut off by old age, disability, or death.

Think of the mental comfort to be gained by making sure there cannot be such a thing for you as (1) a penniless old age, (2) no pay days if disabled, (3) your family without food and shelter should you die!

Let a London Life representative show you how to make your future secure and at the same time release money for fuller enjoyment of the present.

Established 1874

London Life Insurance Company

"Canada's Industrial-Ordinary Company"

HEAD OFFICE - LONDON, CANADA

Building Cost Met By Lease

Northern Life Has Unusual Financing Plan

Active operations were commenced by the Northern Life Assurance Co., London, Ont., 40 years ago when policy No. 1 was issued on April 26, 1897. Since then approximately 111,000 policies have been issued through the company's offices across Canada.

To celebrate this event in its history, the seven days from April 19 to 26 inclusive have been set aside and suitable recognition will be given to agents who obtain issued business during that period.

Results for the first quarter of 1937 show ordinary production of issued business totalling $1,665,000 in the 1937 quarter as compared with $1,515,000 in the 1936 period. An accurate comparison of settled business for these two periods is not readily made because of certain adjustments affecting the 1936 period. The company, however, is showing an encouraging improvement and is over its three months' quota of $1.5 million.

That this is helping individual salesmen for the company is shown by figures obtained from officials. An increase of about 25% has been noted in the number of agents who are included in the higher brackets of the company's classification of salesmen. Greater prosperity for the company's agents should react in its favor.

Michigan Field Promising

Northern Life is concentrating its most intensive efforts on Michigan and Ontario. It has practically withdrawn from the Prairie Provinces, being entirely out of Alberta but retaining an agency in Saskatoon. Operations, however, of the Vancouver agency continues strong.

The company entered the Michigan field late in 1936 and is still engaged in organizing this territory.

Mortality experience for Northern Life has been 30% better in the first quarter of 1937 than in the corresponding period of 1936. It is pointed out, however, that the first quarter of 1936 was exceptionally bad in this respect.

In its search for profitable employment for its funds, Northern Life has adopted a plan which is finding acceptance from other insurance companies in Canada and the United States. This plan calls for the insurance company to provide funds for erection of a building which, when completed, will be occupied by some firm under a lease arrangement. Canadian insurance companies can only supply up to 60% of the funds required and such projects can only be carried out if other sources can be found to put up the remaining 40%.

An instance of this nature is found in a building in Kirkland Lake, Ont., for which Northern Life supplied 60% of the money. The building is now occupied by a chain store organization under a 10-year lease. Revenue from this lease is assigned to the Northern Life and will be sufficient, during the life of the lease, to retire the mortgage in addition to paying interest and other expenses. At the end of the 10-year period, the building will revert to the parties supplying the other 40% of the money.

Fire and Casualty

Ontario 1936 Experience Reflects Dominion Trend

Reflecting the experience of the Dominion as a whole, fire and casualty insurance figures for 1936 business in Ontario indicate continuance of the unusually favorable underwriting results in the fire field, substantially heavier losses in automobile business, and improvement in most casualty lines.

Most of the fire companies reported lower premium volume, with losses dipping to a record low to bring the earned loss ratio for the business as a whole to just under 37%, fractionally less than a year ago. Not all groups participated in the improvement, joint stock companies and cash mutual companies without capital stock registering higher loss ratios. Lloyd's ratio is surprisingly low at 22.80%, just about half the 1935 figure. It is of interest that fire experience in Ontario did not show as great improvement over 1935, as did the Dominion as a whole.

The decline in premium volume was evident particularly in joint stock companies, but these continue to account for well over two thirds of the total fire volume in the province. Farmers' mutuals rank second in respect to volume, replacing the cash mutuals (without capital) by a very small margin.

Auto Volume Higher

Volume of automobile insurance was up about 13% from the previous year, but in line with expectations, the increase in claims was even greater proportionately and the resultant loss ratio was the highest of any year since 1931. A further increase in volume is anticipated this year, especially in view of the recent increase in rates, but company men believe that losses will once again be materially higher.

While gains in general casualty lines outnumbered losses by two to one, experience in several of the more important classes was much less favorable. Inland transportation, marine and public liability, for instance, recorded loss ratios substantially higher than in 1935. On the other hand, sickness, theft and guarantee, in each of which a considerable amount of business is written, were more favorable.

Official figure on 1936 results in all classes, as compiled by the Ontario department of insurance, with comparative loss ratios for 1935 and 1934, are as follows:

Class:	Net premiums written 1936 $	Net losses incurred 1936 $	Ratio net losses incurred to net premiums earned 1936 %	1935 %	1934 %
Fire:					
Joint stock	12,654,638	4,778,820	36.58	34.73	40.78
Farmers' mutuals	1,635,026	927,560	56.85	60.87	60.86
New England factory mutuals*	928,918	79,879	....	....	....
Other mutuals	811,810	193,604	24.23	34.04	33.04
Cash mutuals without capital	1,584,926	608,200	38.50	34.04	48.46
Cash mutuals with capital	208,786	52,055	25.11	39.51	44.96
Reciprocal exchanges	208,195	112,590	51.72	60.79	185.04
Lloyd's	361,779	63,422	22.80	45.27	....
Casualty:					
Automobile	7,920,609	4,717,954	62.46	59.21	59.38
Accident	1,334,787	585,518	44.90	45.90	56.81
Accident and sickness combined	1,034,761	603,881	59.16	59.26	54.02
Aircraft	55,249	12,225	25.45	96.32	....
Boiler and machinery	327,285	45,319	12.32	12.37	7.71
Credit	97,789	1,251	1.32	38.46	41.99
Employers' liability	122,778	47,492	40.15	84.85	47.56
Guarantee	956,115	165,238	17.81	21.49	22.90
Hail	165,543	63,815	38.55	135.68	250.11
Inland transportation	698,864	329,902	46.90	32.00	45.43
Livestock	30,351	22,552	61.37	80.09	110.10
Marine	607,042	397,070	67.88	50.35	74.14
Personal property	30,834	13,561	63.13	....	....
Plate glass	219,563	93,402	42.22	40.50	44.12
Property damage	46,316	—5,702	....	287.91	64.43
Public liability	819,703	357,174	44.92	40.56	53.97
Sickness	531,621	335,512	64.13	65.24	50.12
Sprinkler leakage	14,641	3,656	26.96	44.83	189.76
Theft	593,740	246,915	42.48	58.75	45.02
Weather	165,337	65,944	40.28	30.69	33.70
Workmen's Compensation	30,336	14,469	72.30	120.97	12.92

*"Net premiums earned" was not calculated. The ratio of net losses incurred to net amount at risk was 8.26 in 1934; 8.42 in 1935 and 27.32 in 1936 per $100,000.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp and address label from The Financial Post should be enclosed.

Annuity Plan

I am considering a life insurance plan which will provide my wife with an annuity of $1,500 a year for life if I die, and, if I live, a joint annuity of $2,500 a year for my wife and myself to begin at age 60. I am now 28 years of age; my wife 29.

I would appreciate your kindness in advising how this can best be done. What kind of policies would be needed and approximately what would be the yearly premiums?

—

You will understand, of course, that opinion may differ as to the method of obtaining the insurance coverage you wish. What appears one of the best, however, is actually a combination of two plans.

First would be a guaranteed monthly income policy on the "Endowment at Age 60" plan to provide an income of $125 a month—$1,500 a year—to your wife if you die before reaching 60. It could be arranged that this income, while payable for life, would be guaranteed for 20 years in any event. When you reach 60, this contract would also provide a joint life or last survivorship annuity of $125 a month payable to you or your wife as long as either of you may live, but also guaranteed for the first 20 years. At age 60, the policy would have a guaranteed cash value of about $17,500, to which would be added any annual dividends which might have accumulated.

Secondly, a retirement income bond would guarantee an income commencing when you reach 60, amounting to $85 a month, payable as long as you live. If you should die before reaching age 60 and your wife survives, then she will receive an income of $57 a month as long as she lives. In the event of your dying before reaching age 60, your wife, or your estate, would receive an amount at least equal to the premiums paid. Cash value of this policy at age 60 would be just about $15,000.

Taking these two policies together, your wife is guaranteed an income of $1,500 a year, plus the return of the retirement income bond if you die before age 60. If you both survive, a total income of $2,520 a year is payable as long as you both live, with $2,184 a year payable to your wife if she survives you.

Cost of such a plan may vary somewhat between companies, but one actual rate is $772.50 for the first policy, with the cost decreasing to $706.25 if your wife dies before you, and $316.35 for the second. Thus total cost would be $1,088.85 annually. Guaranteed cash value at age 60 would be $32,469, plus any accumulated dividends, if the policies are written on the participating plan.

London Life

New business placed by the London Life in the first quarter of 1937 amounted to $22.4 millions, an increase of almost $1.4 million over the corresponding period of last year.

Ordinary and industrial insurance shared about equally in the gains with improvement being well distributed throughout the Dominion.

FIDELITY
Insurance Company
of Canada
TORONTO

B.C. Will Vote On Health Plan

When British Columbia voters go to the polls on June 1 to determine who will administer the affairs of the province, they will also be asked to answer the question: "Are you in favor of a comprehensive health insurance plan progressively applied?"

It will be recalled that a health insurance plan in the Pacific province was scheduled for last month. After the bill was virtually rammed through the Legislature, however, it was found that the matter of co-operation from the medical authorities had been overlooked, and the scheme had to be deferred indefinitely.

Arex Indemnity Obtains License

A "participating joint-stock" casualty insurance company, Arex Indemnity Co. has been granted a license by the federal department of insurance, to insure against damage "from accident to employees or other persons or to property."

The company plans to operate on a plan which has become well known to life insurers, but which has been confined to mutual organizations in the other-than-life field. It plans to write preferred risks only, probably chiefly among subscribers to the Associated Reciprocal Exchanges of New York with which it is closely identified. Capital stock has been subscribed largely by 300 or 400 members of the reciprocals and it is planned to pay a dividend at the rate of 6%. After this distribution, and making provision for reserves and surplus, remaining profits will be returned to policyholders based on the ratio of individual premiums to the total volume. The company's business will be written directly; not through agents or brokers.

E. W. Brown, of New York, manager of the reciprocal group, is prominent in management of the new company which was organized in the United States last December. Chief agent for Canada is V. W. Gerrish, of Toronto.

NOTICE

Notice is hereby given that Arex Indemnity Company has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-313 authorizing it to transact in Canada the business of Insurance against liability for loss or damage from accident to employees or other persons or to property.

V. W. GERRISH,
Chief Agent for Canada.

Toronto, April 9th, 1937.

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.

FIRE, WINDSTORM AUTO, CASUALTY

Lower Rates Save Prairies $1.2 Million

Many Fire Schedules Cut By Board Insurers Since 1926

NEW BULLETIN

Fire insurance policyholders with "board" companies in the Prairie Provinces save no less than $1.2 million annually as the result of premium rate reductions effected over the last ten years.

This estimate is made by the Western Canada Insurance Underwriters' Association comprising tariff underwriters in Manitoba, Saskatchewan and Alberta, in its "Agents Insurance Bulletin." This bulletin is one of several features introduced within the last two months by the association's public relations committee. It is pointed out that the association has been recording risk experience of all its members subdivided into 800 classifications for many years. These records constitute the most complete statistical data of any similar association on this continent, it is claimed, and provide an accurate basis for measuring risk.

Rate reductions made by member companies on fire risks since 1926 are classified as follows:

Apartment Blocks, Protected

1926. Adoption of itemized schedule for rating brick risks, resulting in an approximate reduction of 26%.
1929. Class reduction of 10% to all wood joist constructed risks.
Class reduction of 20% to all fire-resistive and semi-fire-resistive risks.
1933. Class reduction on brick joist constructed risks increased 10%, making 20% in all.
Class reduction on fire-resistive and semi-fire-resistive increased 15%, making a total reduction of 35%.

Dwellings, Protected

1929. Class reduction of 25%.
1930. Allowance of 10 cents for risks using central heat facilities.
1933. Revision to dwelling schedule—reduction approximately 18%.

Summer Dwellings

1933. Reduction of $1 for three-year term.

Protected Boarding Houses

1924. Revised rating schedule resulting in an approximate reduction of 30%.
1933. Revision of rating schedule, reduction approximately 18%.

Protected Schools

1923. Adoption of a new itemized rating schedule, reduction about 25%.
1930. Class reduction of 22%.

Unprotected Schools

1930. Rural, 22%; village, 25%.
1933. Rural, 13%; village, 9%.

Protected Churches

1933. New itemized rating schedule, reduction about 15%.
1936. Class reduction of 10%.

Unprotected Churches

1933. 5% reduction.
1936. 10% reduction.

Protected Hospitals

1933. evised schedule, rates down about 15%.
1935. New itemized schedule, reduction 20% to 25%.
1935. eduction of 25% to fire-resistive and semi-fire-resistive risks.

Unprotected Hospitals

1933. 15% reduction.

Municipal Property

1935. Protected municipal properties when written on full schedules, 10%.
1936. Unprotected municipal property, 15%.

In addition to these there have been a considerable number of reductions on miscellaneous risks.

Yorkshire Co. Figures Incorrectly Reported

The Yorkshire Insurance Co. has called attention to an error in the figures of its 1936 business as reported by the federal department of insurance. Correct premiums in the personal accident classification were $48,243 and in the combined accident and sickness class $36,495. In the Ottawa report, these were both included under the heading of personal accident.

Net premiums written by the Yorkshire and by the London and Provincial in burglary insurance last year totalled $23,012, and losses $8,260, giving a loss ratio of 35.89 per cent.

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
T. Bradshaw, President
D. E. Kilgour, General Manager
Head Office—Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

"I Bought a Northern Life Policy —

—because the Northern Life puts security first."

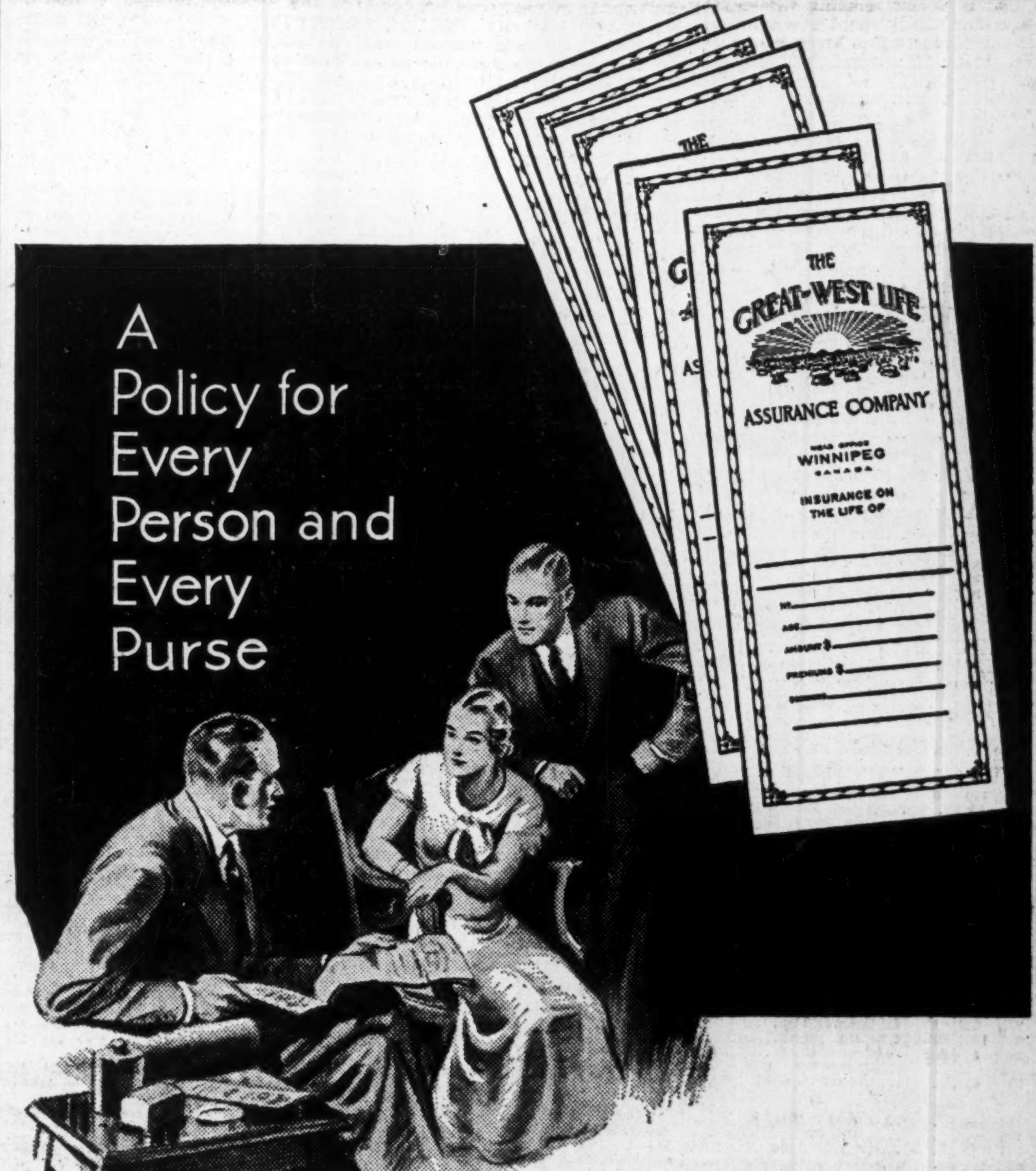
This lawyer is correct. The Northern Life does put security first. The Northern Life believes that the first purpose of a life insurance company is to make certain that all policy benefits will be provided in cash at the time specified.

See a Northern Life salesman and make your financial future secure.

54

Northern Life Assurance Company of Canada

Established 1897 Home Office: London, Canada



A Policy for Every Person and Every Purse

A FRIENDLY ADVISER

If you want to know what Life Insurance at its best will do for you, get to know a Great-West Life man. Let him sit in for an evening and show you how your needs can be filled by one of the best of the Canadian life companies. He will show you how Life Insurance can clear away financial worries — how it will provide a continuation of your salary to your family — a retirement annuity to last as long as you live — a means of insuring mortgage repayment — an educational fund for your children. These services, and others, can be acquired comfortably out of current savings.

Branches in the leading cities of Canada and in the United States

THE GREAT-WEST LIFE ASSURANCE COMPANY

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING APRIL 19

Range 1937 High	Low	Div R'te $	Apr17 Y'ld %		Sales	Last Apr. 12	Week end. Apr. 19 H	L	Cl'se
				A					
15¼	6¼	*	...	Abitibi	73748	13⅜	12⅜	10⅛	10⅜
80	41½	*	...	Do. pref. 6%	14494	72	76½	69½	70½
97	60	*	...	Do. pref. 7%	81	97	95	95	95
79½	41	*	...	Do. cert. dep.	396	72	74	69	72
6⅞	5	10c	...	Acadia Sugar	10	6	5½	5½	5½
18½	11	50c	4.5	Acme Glove	....	(8 bid 10 asked)			
94	75	6.50	8.6	Do. pref.	....	(— bid 90 asked)			
12	8½	40c	3.8	Agnew Surp.	245	10	10½	10	10⅛
110	106	7	6.6	Do. pref.	125	107	106	106	106
7	4½	*	...	Alta. Pac. Gr.	1740	6½	6⅛	4⅞	4⅞
43½	28	*	...	Do. pref.	155	35	35	32	32
135	116	*	...	Aluminum	25	119½	120	120	120
130	130	6	...	Do. 6% pref.	....	(130 Mar. 19)			
7	5	*	...	Amal. Electric	50	6½	6	6	6
31	29	*	...	Do. pref.	30	30	29	29	29
35⅜	30½	15c	...	Amer. Cyn. B.	....	(— bid 32 asked)			
55	53	3.50	6.6	Ang. C. Tel. p.	....	(55 bid — asked)			
122½	93	*	...	Asbestos	2845	115	114	95	96
16	11	80c	5.3	Assoc. Brew.	250	14⅜	15	14⅜	15
110½	106	7	6.3	Do. pref.	85	106	110½	109½	110½
†8½	7½	*	...	Assoc. T. & T.A.	....	(— bid 7½ asked)			
57	52½	42c	...	Do. pref.	....	(50 bid 53 asked)			
102½	100½	*	...	Ault & Wiborg p	....	100 bid 102½ asked			
				B					
60	57	2.25	3.8	Bank of Canada	74	58½	60	58	59
157	143	8	5.1	Bk. Can. Nat.	8	156	157	157	157
245	219	8	3.5	Bk. Montreal	111	230	230	228½	230
340	312	12	3.6	Bk. N. Scotia	10	335	333	333	333
273	246	10	3.9	Bk. Toronto	....	(255 bid 260 asked)			
8	8	*	...	Barcelona	....	(7½ bid 14 asked)			
24⅞	17½	*	...	Bathurst Pr.	8535	20	20	18½	18½
12½	6⅛	*	...	Do. (B)	960	11½	11	9	9⅛
5⅛	3	*	...	Bawlf Grain	1060	4⅞	5	4½	4½
38	25	*	...	Do. pref.	50	38	38	36	38
10	4⅞	*	...	Beath & Sons	25	6⅞	6	6	6
21½	15	*	...	Beatty Bros. A.	35	16½	17	16½	16½
107½	100	6	5.7	Do. pref.	25	107½	104	104	104
102	102	7	...	Do. pref. B.	....	102½ bid 104 asked			
10	6⅛	*	...	Beauharnois	3758	8⅜	9	7½	8
107	100	4	4	Belding Cort.	....	(— bid 107 asked)			
130	126	7	5.4	Do. pref.	....	(130 bid — asked)			
178	159	6	3.7	Bell Telephone	687	159½	161	159½	160
16½	11⅞	2+50c	...	Biltmore Hats.	548	13	13	11⅞	12
110	109½	7	6.4	Do. pref.	....	(109 bid — asked)			
13	8½	*	...	Bissell, T. E.	....	(— bid 15 asked)			
65	45	*	...	Do. pref.	....	(55 bid 75 asked)			
6⅛	4	*	...	Blue Ribbon	80	4½	4½	4½	4½
40	35	2	5.4	Do. pref.	10	38	37½	37	37½
29⅜	24⅛	65c	...	Brant. Cord. pf.	....	(25 bid 25⅜ asked)			
30½	18½	40c	...	Brazilian Tr.	35119	25½	26	24⅛	25½
9½	6	1.40+10c	...	Brew. & Distil	314	8⅜	9	8⅜	8½
4	2⅞	*	...	Brewing Corp.	4025	3½	3½	3	3
20⅛	14½	1.50	8.1	Do. pref.	636	17⅜	18½	17½	18

Range 1937 High	Low	Div R'te $	Apr17 Y'ld %		Sales	Last Apr. 12	Week end. Apr. 19 H	L	Cl'se
34	29	*	...	Do. Vot. Tr.	20	30	30	29	29
24½	21	25c	...	Fanny Farmer	2650	22½	22⅞	21	21½
29⅞	22½	1	4.2	Ford Motors A.	6574	24	24⅞	23	23
2½	1	*	...	For. Pr. Secs.	5	1½	1	1	1
31	24	*	...	Foundation Co.	1580	30	31	25½	25½
50	29	*	...	Fraser Cos.	722	42	44	40	40
50	29½	*	...	Do. Vot. Tr.	7932	44	45½	40⅞	41
52	45	*	...	Freiman, pf.	25	48	48½	48½	48½
11	6	*	...	Frost Steel	15	6	7½	7½	7½
107	100½	7	...	Do. pref.	....	(104½ bid — asked)			
48	42	*	...	Frost Steel A pf.	75	46	47	45	45½
				G					
18½	8	*	...	Gen. St. Wares.	4475	17	17⅞	16	16½
110	76	*	...	Do. pref.	468	104	107½	102	103
92½	84	2.50+2.50	...	Goodyear Tire	85	86	86	84½	86
57	53	2.50	4.6	Do. pref.	726	54½	55	54	54½
26⅞	13½	*	...	Gt. Lakes Pap.	904	21⅞	22½	20½	20½
51	33	*	...	Do. pref.	1440	46	47	43	43
3½	1½	*	...	Gt. W. Saddlery	....	(2½ bid 2⅞ asked)			
40	29½	*	...	Do. pref.	....	(— bid 36 asked)			
15½	7½	*	...	Gurd, Chas.	305	12	12½	11½	11½
101	95	7	7	Do. pref.	....	(100 bid — asked)			
18½	14	*	...	Gypsum, Lime.	4642	17	17	15	15
				H					
18½	12⅛	*	...	Ham. Bridge	775	17½	17	15	15
90½	63	*	...	Do. pref.	75	89	90	86	86
40½	30	2+50c	4.9	Ham. Cot., pf.	10	39	40½	40½	40½
3⅞	2	*	...	Ham. U. Theat.	20	2½	2½	2½	2½
69	58½	5	8.3	Do. pref.	76	60	61	60	60
7	5	10c	...	Harding Carpet	1455	5½	5½	5	5
5	5	*	...	Hillcrest Coll.	....	(2½ bid 5 asked)			
25	15	*	...	Do. pref.	60	20	25	25	25
22½	20	1	5	Hinde & Dauch	340	20½	21	20	21
18	14	*	...	Holt Renfrew	....	(14 bid 28 asked)			
74	56	*	...	Do. pref.	....	(65 bid 82 asked)			
1.75	.60	*	...	Honey Dew	150	1.00	1.00	1.00	1.00
15	12	*	...	Do. pref.	5	15	15	15	15
34½	18½	*	...	H. Smith Pap.	2538	31	31⅞	28⅞	28⅞
105	100	6	5.9	Do. pref.	2051	100	102	102	102
32⅞	32	2	6.2	Humberstone S.	....	(30½ bid 32 asked)			
18	11½	*	...	Hunts (A)	20	16½	16	16	16
18	12	*	...	Do. (B)	10	18	17	17	17
90	72	5	5.7	Huron & E. Mt.	45	87½	87	85	85
15½	11	*	...	Do. 20% pd.	92	15	15	15	15
13½	8⅞	20c	...	Hydro Elec. sec.	....	(— bid 10½ asked)			
				I					
251½	234	10	4.2	Imperial Bank	48	238	238	235	238
24⅞	21	50+75c	5.6	Imperial Oil	38513	22⅞	22⅞	21⅞	21⅞
15½	13½	40+22½c	...	Imperial Tob.	4548	14	14⅜	14	14⅜
7⅞	7	6%	...	Do. pref.	90	7½	7½	7½	7½
38⅞	33	25c	...	Indust. Accept.	338	34	36	34½	36
39½	37½	2	...	Inter-City Bak.	....	(35 bid 38 asked)			
40	40	4+2	...	Inter'c Coal	....	(— bid 40 asked)			
130	130	8	...	Do. pref.	....	(130 Mar. 10)			
†.20	.20	*	...	Int. Coal & C.	....	(.10 bid — asked)			
b16⅞	8⅞	*	...	Int. Hyd. E. A.	11700	13½	13⅞	12⅞	12⅞
18½	14⅞	*	...	Int. Metal Ind.	335	17	17	14⅞	14⅞
108	90½	*	...	Do. pref.	205	106	106	101	101

Range 1937 High	Low	Div R'te $	Apr17 Y'ld %		Sales	Last Apr. 12	Week end. Apr. 19 H	L	Cl'se
11½	7⅞	*	...	United Steel	13080	10	10⅛	7⅞	7⅞
				V					
8	4	*	...	Viau Bisc.	12	5½	5½	4	4
60	50	*	...	Do. pref.	15	55⅞	50	50	50
				W					
27	22	50c	...	Wabasso Cot.	115	25	25	25	25
49½	45	2	4.3	Walker-Good.	3448	45	46½	45	45½
20	18½	1	5.1	Do. pref.	1058	19½	19⅞	19½	19⅞
3½	2	*	...	Walkerville Br.	1040	2½	3½	2	2
5	2½	*	...	Waterloo Mfg.	825	4	4	3½	3½
19½	9½	*	...	West. C. Flour	22	10	9½	9½	9½
90	80	*	...	Do. pref.	....	(— bid 81 asked)			
70½	65	2.40	3.4	West. Grocers	....	(70½ bid — asked)			
120	115½	7	5.8	Do. pref.	....	(120 bid — asked)			
18½	16	80+10c	...	Weston Ltd.	4960	17	17½	16½	16½
106½	99	5	4.9	Do. pref.	102	101⅞	102½	100	101½
8	4	*	...	Windsor Hotel	40	5½	5½	5	5
23	12	*	...	Do. pref.	10	18	13	12½	12½
10½	4⅞	*	...	Winnipeg El. A	1026	6½	6½	5	5
10	4⅞	*	...	Do. (B)	202	5½	6	5	5
44	29	*	...	Do. pref.	150	35	34	30	30
70	53	1.75▲	...	Wood, A. & J. p	5	63	70	70	70
85	75	*	...	Woods Mfg., pf.	61	77	76	75	75
				Z					
7½	5½	*	...	Zimmerknit, c.	....	(5½ bid 6½ asked)			
98	92	7	...	Do. pref.	7	96	98	98	98

† 1936.

▲ On account of arrears.

b New York quotations.

‡ Plus extra of $2 paid Feb. 1, 1937.

• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.

▪ Payable May 20. Subject to ratification at annual meeting, April 29.

Mining Stock Quotations

WEEK ENDED APRIL 19

OIL STOCKS

VANCOUVER STOCK EXCHANGE

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Apr. 20, 1937

Public Utility Issues:	Int. Rate %	Due	Bid Apr. 20	Asked	Bid Apr. 13
‡Assoc. Tel. & T.	5½	'55	86	89	86
▲Avalon Tel.	5½	'48	101½	104½	101½
Beauharnois P.	5	'73	59½	62½	62
‡Bell Telephone.	5	'55	111½	114½	110
‡Do	5	'57	116	119	114½
B. C. Power	4½	'60	96	99	96½
B. C. Tele.	4½	'61	104	107	104
‡Calgary Power	5	'60	95½	98½	95½
†Can. Nor. Pwr.	5	'53	102½	105½	102½
‡Dom. Gas & El.	6½	'45	92	95	91½
‡Gatineau Power	5	'56	100	103	100
‡Do., A	6	'41	100½	103½	101
‡Do., B	6	'41	100	103	100½
Gt. Lakes Pwr.	4½	'56	93	96	93
‡Inter Hydro-El.	6	'44	80	83	80
‡Inter. Power	6	'57	98	101	98
‡Do.	6½	'57	100	103	100
▲Do.	6	'55	101	104	100½
†Maclaren-Que. Power	5½	'61	98½	101½	99
†Do.	5½	'64	97½	100½	98
†Mtl. Island Pr.	5½	'57	103	106	103
†Mtl. L., H. & Pr.	3½	'56	97	100	97½
†Mtl. Tramways	5	'41	101	104	101
†Do.	5	'55	79	82	80
Nfld. L. & P.	4½	'56	99½	102½	99½
Nat'l. L. & P.	6	'49	95	98	95½
N. S. L. & P.	4	'57	98½	101½	98½
†Ot'wa L.H.&P.	5	'57	105	108	105
†Ottawa Tract.	5½	'55	101½	104½	101½
†Ottawa V. Pwr.	5½	'70	104	107	103½
†Power Corp.	4½	'59	99½	102½	99½
‡Quebec Power.	5	'68	103	106	103
Saguenay Pr., B	4½	'66	102½	105½	102½
Do., A	4½	'66	100½	103½	100½
†Shaw. W. & Pr.	4	'61	95½	98½	96
†Do.	4½	'70	102	105	102
†South. Can. Pr.	5	'55	102	105	102
†West. Pwr. Co.	5	'49	103½	106½	103½
‡Winnipeg Elec.	4½	'60	104	107	104
‡Do., A	4	'65	79½	82½	79½
‡Do., B	4	'65	73½	76½	73½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	103½	106½	106
Acadia Sugar	4½	'55	101	104	102
†Alta. Pac. Gr.	6	'46	97	100	96½
Asbestos Corp.	5	'42	100	103	100
B. A. Oil	4	'45	101	104	101
Canada Bread	6½	'41	107½	110½	109
†Canada Cement	4½	'51	101	104	101
†Canada Paper	4½	'52	95	98	95
Can. Steamship	6	'41	70	73	73
Can. Canners	4	'51	97	100	97
Can. Bakeries	6½	'45	100	...	100
‡Can. Inter. Pap.	6	'49	101	104	101½
C. P. R.	3½	'51	102	105	102½
Do.	4	'49	104	107	104
Do.	4½	'44	101½	104½	101½
Do.	4	Per.	93	95⅞	...
†Can. Vickers	6	'47	98½	101½	100
†Consol. Paper	5½	'61	95½	98½	99½
‡Dominion Coal	6	'55	100	103	100
Dom. Sq. Corp.	6	'48	75	78	75½
▲Dom. Stl. & C.	6½	'55	108½	111½	110½
Dom. Tar	4½	'51	98½	101½	99
Dom. Textile	4½	'55	106	109	106
†Donnacona P.	4-4½	'56	83½	86½	84½
†Eastern Dairies	6	'49	85	88	85½
†Famous Players	4½	'51	96	99	96½
†Federal Grain	6	'49	100	103	100
†Fraser Cos.	6	'50	101½	104½	101½
Great Lakes P.	5	'55	94½	97½	94½
†Gypsum, L & A	5½	'48	101½	104½	101½
†Gr. Br. & Can. Invest.	4½	'59	88	91	87½
Hamilton Cot.	5½	'48	103	106	103
Ham. By-Prod. Coke	5	'55	99	102	99
Do.	6	'56	98	101	98
†Inter. Paper	6	'55	98	101	98
†Inter. P. & P. Nfld.	5	'68	103	106	103
Inter City Bak.	5½	'48	103	106	...
Inter-City West. Bakeries	6½	'50	55½	58½	56½
†Kingston Elev.	6	'50	98½	101½	98½
Lake St. John P. & P.	5½	'61	100½	103½	101
Do.	5	'61	83	86	83½
†Lond. Can. Inv.	4½	'48	95½	98½	96
†Maple L. Mill. (Bundles)	5½	'49	85	88	85
†Massey-Harris	5	'47	99	102	99
†McColl-Front.	6	'49	102½	105½	102½
†Mercury Mills	5½	'53	78½	81½	78½
†Mersey Paper	6	'49	100	103	100
‡M. & O. Paper	6	'45	78½	81½	80
Mtl. Dry Docks	6	'48	92	95	92
Nat'l Grocers	4	'47	100	103	100
†N. A. Elevators	6	'50	96	99	96½
Nor. Ont. Bldg.	6½	'39	99	102	99
†Price Bros.	5	'57	98½	101½	98½
‡Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	100	103	100
‡Reliance Grain	4½	'52	96½	99½	97
†Restigouche Co.	6	'48	111½	114½	113½
Rich. Bay Bldg.	6½	'47	100½	103½	100½
†Rolland Paper	4½	'51	103	106	103
Ruddy & Co.	6½	'48	98½	101½	98½
†Simpsons Ltd.	4½	'51	94½	97½	95
†Smith, Howard	4½	'51	102	105	101½
†Steel of Canada	6	'40	111	114	111½
Sterling Coal	6	'40	91½	...	91½
Stop & Shop	6	'47	72½	76½	73
*Twin City	5½	'52	83	86	82½
United Amuse.	5	'56	99	102	98½
United Corp.	5	'53	98	101	98
Unit. Grain Gr.	5	'48	94	97	94½
Do.	5½	'49	96½	99½	96½
Union Gas	4½	'50	97	100	97
▲Wabasso Cot.	4½	'51	95	98	95
†Western Grain	6	'49	78	81	78
Windsor Hotel	6½	'43	81	84	82
Do.	6	'47	41	44	42
Zimmerknit	6	'51	99	102	99

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Apr. 20, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	5.10	
Acme Farmers Dairy, pfd.	55.00	
Algoma Steel, com.	17.50	
Do., pfd.	85.00	
Andian Nat.	48.25	
Assoc. Tel & Tel., pfd.	49.00	
B. C. Pulp & Paper, pfd.	70.00	
Do., com.	14.00	
Brandram-Henderson, com.	2.00	
Do., pfd.	13.00	....
Burns & Co., A	14.50	
Do., B	7.00	
Canada Starch, com.	25.00	....
Do., pfd.	105.00	....
Can. Tube & Steel, 1st pfd.	79.00	....
Do., com.	10.00	11.00
Can. Wire & Cable, pfd.	117.00	119.00
Can. Airways	7.75	8.75
Can. Industries, A com.	244.00	246.00
Can. Ingersoll-Rand	134.00	136.00
Can. Westinghouse	69.00	70.00
Chase, A. W., pfd. bonus	27.00	28.00
Claude Neon, Gen. Adv., pfd.	15.00	....
Conduits National, com.	5.50	6.00
Crescent Creamery, pfd.	35.50	37.00
Dom. Found. & St., new com.	32.00	33.00
Do., pfd.	98.00	100.00
Dominion Rubber, pfd.	105.00	....
Dominion Woollens, com.	.75	1.25
Do., pfd.	1.50	2.50
Dunlop Tire, pfd.	88.50	91.50
Federal Grain, com.	4.75	5.25
Do., pfd.	50.00	51.00
Goderich Elevator	7.50	8.25
Greening Wire, pfd.	104.00	....
Guelph Carpet, pfd.	105.00	107.00
Do., com.	25.00	27.00
Hayes Steel Prod., com.	11.75	12.50
Do., pfd.	7.25	8.25
Highland Dairy, com.	....	2.85
Inter. Met. Indust., A pfd.	....	104.00
Lake St. John, com.	63.00	64.00
Lake Sulphite Pulp, com.	24.50	25.50
Loblaw's Inc. (U.S.) Units	60.00	....
McCormick's, com.	4.75	5.00
Do., pfd.	12.00	14.00
Mercury Mills, com.	1.50	2.25
Morrison Brass, pfd. bonus	11.50	13.50
Mount Royal Hotel, 6% pfd.	3.00	4.25
New Method Laund., pf. bon.	91.00	....
Perfection Pete., pfd.	17.00	22.00
Provincial Paper, pfd.	106.50	107.50
Reliance Grain, pfd.	97.50	100.00
Robinson Consol. Cone	10.00	10.75
Ruddy, E. L., pfd.	42.00	46.50
Seal O Sac (Can.)	22.00	23.50
Silverwoods Dairies, pfd.	3.65	4.15
Standard Fuel, com.	7.00	9.00
Do., pfd.	100.00	....
Supertest Petroleum, B pfd.	27.00	29.00
Toronto Carpet, com.	48.00	....
Do., pfd.	51.00	....
United Steel, A pfd.	18.25	19.25
Western Grain, pfd. bonus	10.00	....
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	1.35	1.85
Trusts and Loan Stocks:		
Chartered Trust	95.00	....
Commercial Finance, com.	2.50	2.90
Guelph Ont. Inv., par. $50	50.00	53.00
London & West. Trust	55.00	60.00
Prudential Trust	5.00	....
Sterling Trust	40.00	....
Traders Fin., com.	14.00	18.00
Do., B pfd. bonus	96.00	....
Trusts & Guarantee	31.50	33.30
Insurance Stocks:		
Canada Life	536.00	543.00
Canadian Ins. Shares	16.00	18.50
Confederation Life, 20% pd.	116.00	118.00
Dominion Fire	134.00	....
Dom. of Can. Gen.	135.00	145.00
Empire Life, 25% pd.	11.00	13.00
Federal Fire, 25% pd.	39.00	....
Fidelity Ins. of Can.	50.00	....
Great West Life	340.00	350.00
Guar. Co. of N.A., fully pd.	290.00	304.00
Imperial Life	365.00	380.00
Manufacturers Life	255.00	260.00
Monarch Life, 25% pd.	23.00	24.00
Sovereign Life, 25% pd.	15.50	18.00
Sun Life	700.00	720.00
Western Assurance, com.	50.00	55.00
Do., pfd.	41.00	44.00
Theatre Stocks:		
Allens Kingston, pfd.	64.00	73.00
Do., Parkdale, pfd.	69.00	....
Do., St. Catharines, pfd.	64.00	....
Do., Tor. pfd., bonus com.	29.00	33.00
Loew's London, pfd.	2.50	3.00
Do., Toronto, pfd.	....	122.00
Mansfield Theatre, pfd.	25.00	35.00
Paramount Kitchener, pfd.	60.00	....
Do., Oshawa, pfd.	89.00	95.00
United Amusement, A	26.00	29.00
Investment Trust Shares:		
Can. Gen. Invest.	10.50	10.85
Can. Int. Inv. Trust, pfd. bon.	110.00	....
Can. Invest. Fund	4.60	5.00
Can. Investors Corp.	9.50	10.25
Cons. Div. Std. Sec. Units	21.00	24.50
Invest. Found., pfd. bonus	65.00	69.00
Lon. Can. Invest., com.	5.00	5.50
Sec's Hold. Corp., com.	1.25	2.25
Do., pfd. bonus	25.00	27.00
United Corpns., A	25.25	26.75
Do., B	29.00	31.00
Power Issues:		
Can. West. Nat. Gas, pfd.	91.25	93.00
Do., com.	26.00	....
Foreign Power Sec's, pfd.	11.00	13.00
Great Lakes Power, pfd.	97.75	101.00
Inter. Util., $1.75 pfd.	16.50	17.50
Montreal Island Pwr., pfd.	19.00	21.00
New Brunswick Tel., com.	13.00	14.50

Listed Bonds

Week Ended Apr. 19, 1937

	Int. rate	Due	High	Low	Range 1937 High	Low
Mtl. L. H. & P. Debs.	3	'39	50⅜	50⅜	50⅜	50⅜

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	109.00	112.00	4.21
Hamilton	5	1950	107.00	110.00	4.00
Montreal	5	1945	102.00	105.00	4.25
Ottawa	4½	1945	105.25	107.25	3.50
†Quebec	5	1959	101.00	103.50	4.75
Saint John	5	1950	109.00	112.00	3.86
†Toronto	4½	1955	107.00	110.00	3.73
†Vancouver	5	1950	86.00	91.00	5.95
Winnipeg	5	1944	97.00	101.00	4.83

†Payable Can. and N.Y.

Unlisted Mines

Apr. 20, 1937

	Bid	Asked
Alden G.	.32	.33
Albany River	.40	.42
Algold	.51	.52
Amm Gold	..	.25
Armitice	.19	.21
Arno	.03	.04
Athona	..	.21
Arrowhead	.35	.40
Area	.03	.04
Augite	..	.28
Bailor	.04	.05
Bar Lar	.18	.20
Bathurst New•	.03¾	.04¾
Bid'Lamaque	..	.22
Big Master	.10	.13
B. L. Lac	.04½	.05
Bilmac	.15	.18
Baldwin	.03	.03½
Blanchette	..	.27
Brengold	..	.09
Bousquet	.05	.05½
Britcanna	..	.67
Cal Bcus.	.12	.14
Cal. Flin Flon	.08	.09
Can. Pan.	.13	.14
Can. Kirk.	.02½	.03
Candalaca	.45	.48
Casey Co.	.02¼	.02¼
Centrecour	..	.30
Chesterville	..	2.20
Coin Lake	.10	.14
Condor. O.	.06	.07
Con. Kirk.	.39	.42
Cooke Lake	..	.45
Cres. Kirk.	..	.11
Cuniptau	..	.09
Darwin	.24	.27
D. White	.20	.22
Demp Cadillac	..	.28
Den. Nic'l	..	.40
Desantis. New	..	.55
Don Mar.	.23	.25
Doreva	.40	.43
Dunlop New	.08	.10
Electra P.	.15	.16
El Bonanza	.10	.11
Eva Lake	.14	.16
Fleming	..	.28
Faulkenh'm	..	.55
Fernland	.17	.19
Franklin	.02¼	.03
Frontier	.17	.19
Garnet	.03½	.04½
Gate Pat.	.09	.11
Gilbec	.03	.04
G. Range	.04	.04¾
Goldside	.04	.05
Gold Gate	.38	.42
Gor. Lebel	..	.18
Grenadier	.30	.31
Hud. Patricia	.05½	.06½
Hislop	.10	.12
Horseshoe	.05	.06
Hutch. Lake	.14	.17
H. P. Porc.	..	.23
John Nip.	.05	.06
Kath. Lead	..	.32
Kaw Crow	.12	.14
Kenecho	.11	.13
Kenricia	..	.70
Kew'gama	.39	.42
King Kirk.	.03	.04
Kir-Vit.	.22	.24
Kirk. Hun.	..	.03
Kirk. Gate	..	.20
Kirk. King	..	.15
Lafayette	..	.03½
Lake Geneva	..	.45
Lamaque	..	8.00
Lardego	.10	.12
McC. R. L.	..	.15
Magnet	.10	.13
Magnet. C	..	.35
Mal. Gold	..	.38

UNLISTED MINES—(Continued)

	Bid	Asked
M. McNeilly	.07	.08
Martin B.	.65	.70
Margaret	..	.40
Maritime	..	.35
Matona	..	.40
Mat. Can.	.14	.16
Moffatt New	.06½	.08
MacFarlane	.10	.10½
McC. Webb	..	.36
McV. Kirk.	.07	.08
Monarch	..	.18
Mooshla	.45	.50
Mosher	.41	.43
New Rou.	..	.33
North Shores	.03¼	.03¾
North W. Minerals	.13	.16
Oklend	..	.26
O'Leary	.14	.15
Opem. Copper	.26	.30
Oriole	.10	.10½
Osoyoos	.55	.58
Ossian	.04	.05
Pascalis	..	.37
Payore	.30	.33
Porc. McN.	.07	.09
Porc. Unit	..	.12
Porcupine Lake	..	.35
Porc. G. R.	.03	.04
Porc. Tri.	.24	.26
P. Rouyn	.13	.15
Pelangio	.18	.20
Prop'ary	2.10	2.20
Quemar'c	..	.23
Que. Man.	.80	.90
Rajah	.22	.23
Richmac	..	.50
Ribago O.	.04	.04½
Roeanor	.15	.18
Rouyn Reward	.06	.08
Rubec	.05	.06
Ronda	..	.20
Sand River	..	.35
Schreiber	.10	.12
Shenango	.21	.24
Sil. Valley	.17	.19
Skookum	..	.14
Siscoe Ex.	..	.35
Smelter	.05	.06
Spooner	.15	.17
Sturgeon River	..	.35
Springer	.12	.14
Straw L. B.	..	.20
Tonawan	.08	.09
Uchi Lake	.75	.85
Upper Canada	.54	.56
Valloc	.08	.09
Wascana	.22	.24
Williamson	.10	.12
Wesley	..	.20
Westside	..	.12
West Red Lake	.06½	.07½
White Horse	.16	.18
Wendigo	..	.22
Winoga	.19	.22
Woco	..	.22
Young Davidson	.14	.16
Ypres. Cad.	.17	.19

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—

St. Johns, Que. .... April .... Bk. Can. Nationale and Syndicate .... {4% 1937-51 $60,500; 4% 1938-62 378,000} 99.05 ....

Dominion—

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	April	....	....	July '37	$25,000,000	99.808	.771%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Lake Sulphite Pulp Co.	Apr.	Hanson Bros., McLeod, Young, Weir & Co.	...	Com.	150,000 shs.	$26.50	...
Anglo-Canadian Telephone Co.	Apr.	W. C. Pitfield & Co.	6½%	Pref.	*20,000 shs.	52.50	5½%
Second Candn. Internat. Invest. Co.	Apr	W. C. Pitfield & Co.	....	Pref.	150,000 shs.	10	....
Hart Battery Co.	Apr.	Nesbitt, Thomson & Co.	....	....	50,000 shs.	12	....

* Balance of refunding issue of 5½% cumulative preferred stock.

Government Bonds

Dominion of Canada Bonds

Apr. 21, 1937		Bid	Ask.	Approx. Yld.
1½	1 Dec. '37	102.25	103.00	.56
2½	15 Oct. '39	101.75	102.50	1.47
4	15 Oct. '39	105.25	106.00	1.50
2	15 Nov. '39	100.75	101.50	1.41
1½	1 June '40	99.75	100.50	1.13
4½	1 Sept. '40	107.50	108.25	1.99
1	15 Mar. '41	97.25	98.00	1.52
5	15 Nov. '41	110.00	110.75	2.50
3	15 Oct. '42	103.00	103.50	2.32
2½	1 June '43	100.50	101.25	2.29
5	15 Oct. '43	111.00	111.75	3.00
4½	15 Oct. '44	109.00	109.75	3.03
•2½	15 Aug. '45	97.50	98.25	2.73
4	15 Oct. '45	105.25	106.00	▲2.98
4½	1 Feb. '46	108.75	109.50	3.25
3½	15 Oct. '49	101.25	102.00	▲3.19
4	15 Oct. '52	104.25	105.00	▲3.43
3	1 June '55	95.50	96.25	3.27
4½	1 Nov. '56	107.50	108.25	▲3.47
4½	1 Nov. '57	107.50	108.25	▲3.55
4½	1 Nov. '58	108.00	108.65	▲3.57
4½	1 Nov. '59	108.35	109.00	▲3.60
•3¾	15 Jan. '61	98.00	98.75	3.32
3½	1 June '66	95.50	96.25	3.45
‡3	Perp. bds.	86.50	87.25	3.44

Dominion Guaranteed Bonds

Canadian National Railway:				
3	1 May '44	100.75	101.75	2.73
3	15 Dec. '50	95.50	96.50	3.32
3	15 Feb. '53	94.50	95.50	3.36
*4½	1 Sept. '51	110.75	111.75	3.47
*4½	1 Feb. '56	111.00	112.00	3.62
†4½	1 July '57	110.25	111.25	3.71
*4¾	15 June '55	113.50	114.50	3.66
5	1 Feb. '54	114.00	115.00	3.80
*5	1 July '69	113.75	114.75	▲3.31
•5	1 Oct. '69	116.00	117.00	▲3.62

Provincial Government Bonds

New Brunswick:				
4	1 Sept. '54	100.00	102.00	3.84
†4½	15 Apr. '61	105.50	106.50	4.07
†5	15 Jan. '60	112.00	114.00	4.06
Nova Scotia:				
3	2 Sept. '45	96.00	98.00	3.27
4½	15 May '43	105.00	107.00	3.22
†4½	15 Sept. '52	106.00	108.00	▲3.58
†5	1 Mar. '60	113.00	115.00	3.99
Ontario:				
•3	1 Dec. '51	94.50	95.75	3.36
*4	1 June '62	102.00	104.00	3.75
4½	1 June '50	108.00	109.00	3.65
*4½	15 Jan. '62	108.00	110.00	3.87
5	15 Oct. '48	112.00	113.00	3.61
*5	2 Dec. '60	116.00	118.00	3.84
5½	1 July '46	114.00	115.00	3.62
Ont. Hydro Comm.:				
3½	1 Apr. '47	100.75	101.75	3.30
4¾	1 Jan. '70	113.00	114.50	3.96
Prince Edward Island:				
3	1 Oct. '45	96.00	98.00	3.27
Quebec:				
4	15 Mar. '52	103.00	105.00	3.57
4¼	1 Aug. '58	106.00	108.00	3.71
4½	2 Jan. '63	108.00	110.00	3.88
Alberta:				
4	15 Dec. '54	58.00	61.00	§
†4	1 Dec. '57	59.00	62.00	§
4½	1 Oct. '51	68.00	71.00	§
†4½	1 Oct. '56	61.00	63.00	§
†5	1 Jan. '48	64.00	66.00	§
5	1 Sept. '55	61.00	63.00	§
*5	1 Oct. '59	65.00	68.00	§
†5½	1 Jan. '47	64.00	66.00	§
6	1 Mar. '47	67.50	69.50	§
British Columbia:				
†4	1 Dec. '57	91.00	93.00	4.52
*4½	15 Jan. '51	98.00	99.00	4.60
†4½	1 Oct. '53	95.50	96.50	4.81
†5	15 Jan. '48	99.75	100.75	4.91
5	1 Sept. '53	99.00	99.75	5.02
5½	1 Feb. '45	100.50	101.50	5.26
6	15 Feb. '47	102.25	103.25	5.57
Manitoba:				
3	2 Jan. '50	83.50	85.00	5.61
†4	1 Dec. '57	84.50	86.00	5.09
†4½	15 Dec. '56	87.50	88.50	5.45
†5	15 June '54	92.00	94.00	5.54
*5	2 Dec. '59	94.50	96.00	5.30
5½	1 Oct. '55	92.50	93.50	6.09
6	1 Apr. '47	95.50	96.50	6.48
Saskatchewan:				
4	15 Aug. '53	79.50	81.00	5.80
4	1 Nov. '60	77.50	78.50	5.68
*4½	2 July '45	87.00	89.00	6.23
†4½	1 Oct. '51	89.00	90.00	5.51
†4½	15 Mar. '60	84.00	86.00	5.59
5	1 Aug. '58	86.00	87.50	6.05
†5½	15 Nov. '46	92.00	93.50	6.41
5½	1 Oct. '52	89.00	90.50	6.48
6	15 Mar. '52	94.50	95.50	6.47

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can & N.Y. ▪Payable N.Y. ‡Exempt from Dominion income tax. ◊Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. •Calculated to maturity, although callable prior to that date.

Mining Dividends

	Rate	Close Apr. 19	Yield %
Anglo-Huronian	20c	6.00	..
Beattie Gold	†5c	1.20	..
Bralorne	40c+15c	7.40	..
Buff. Ankerite	50+5c	9.00	6.1
Bulolo Gold	‡1.40	26.00	..
Cariboo	10c	1.52	6.5
Central Patricia	4c	2.96	..
Coniagas	12½c	2.80	..
Cons. Smelters	$1+$1	79.00	..
Dome Mines	$2+$2	43.75	*9.1
Falconbridge	30c	7.60	3.9
Hollinger	65c+45c	11.75	*9.3
Howey Gold	2c	.35	..
Hudson Bay	$1	30.50	..
Island Mountain	‡10c	.75	..
Int. Coal & Coke	‡1c	.21	..
Inter. Nickel, c.	$2	62.75	3.2
Inter. Mining	15c	13.00	..
Kirk Lake	‡3c	1.20	..
Lake Shore	$4+$1	51.00	*9.8
Lava Cap M.	2c	.90	..
Little Long Lac	10c	5.40	..
Macassa	15c	5.25	2.8
McIntyre	$2	36.62	5.4
McKenzie Red Lake	6c+1c	1.20	..
McKinley Sec.	5c	.64	..
McWatters Gold	5c	.71	..
Noranda	$3	64.50	..
Nor. Can. Mining	2c	.80	..
Nipissing	25c	2.50	..
Premier	12c+1c	2.55	*5.1
Pioneer, B.C.	25c	5.15	..
Pickle Crow	§5c	5.80	..
Reno	12c	.95	..
San Antonio	§5c	1.50	..
Sheep Creek	8c	.71	11.3
Siscoe	20c+1c	4.00	*.5
Sudbury Basin	10c	4.00	..
Sullivan Cons.	2½c	3.05	*8.2
Sylvanite	20c+5c	3.05	*8.2
Teck-Hughes	40c+5c	5.00	..
Toburn	8c	2.25	3.5
Ventures	2½c+2½c	1.95	..
Wright-Har.	40c+20c•	6.50	*9.2
Ymir Yankee Girl	5c	.28	..

‡Interim. †Initial.

*Yield includes bonus.

•Includes 10c. interim paid Feb. 1 and extra of 10c.

§In addition, the company has declared an increased dividend of 10 cents per share payable June 30, 1937.

Winnipeg Stocks

(Transactions from Apr. 12 to Apr. 17)

	Sales	High for period	Low for period	Close Apr. 17
B. & M. Synd.	20	3.75	3.75	3.75
Beaver Lum., c.	33	5.25	5.25	5.25
Cres. Cream, p.	20	37.00	36.00	36.00
Cryderman	1,000	.02¼	.02¼	.03
Can. Rand.	700	.04	.03	.03
Clover Gold Sy.	2	8.00	8.00	8.00
Dom. Envelope	35	3.12	3.12	3.12
Flin Flon	9,200	.14	.13	.13
Gt. Falls M.	5,700	.20	.18	.18
Gold Lake	9,733	.04	.04	.04
Gurney Gold	10,600	.45	.35	.38
Island Lake	4,000	.03	.02¼	.02¼
Herb Lake	100	.21	.21	.21
Marvel Oils	19,000	.13¼	.10	.10
Northern Trust.	25	6.00	6.00	6.00
Optic Lake	200	.85	.70	.75
Ore Grande	10,800	.06	.06	.06
Pine Lake	500	.05	.05	.05
Packsack	3,300	.17	.12	.15
Sachigo	3,240	19.00	16.50	16.50
Star Lake	8,000	.02¼	.02¼	.02¼
Scotia Gold	1,000	.04	.04	.04
United Grain	5	10.25	10.25	10.25
Vanson Man.	7,000	.01¼	.01¼	.01¼
Wpg. R. Tin	1,000	.02¼	.02¼	.02¼
Wallace Lake	500	.02¼	.02¼	.02¼
Wylie Dom.	1,630	.35	.31	.31
Wingold	10,800	.07	.06	.06

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Federal Grain, pfd.	50	..
Home Invest.	20	..
Northern Can. Mtge., pf.	3	..
Traders Bldg.	92	96

*Stocks more active on other exchanges not included.

Labelle Elected Head of Viau Ltd. at Meetings

From Our Own Correspondent

MONTREAL.—J. E. Labelle, K.C., former trustee of the Canadian National Railways, has been elected president of Viau Ltd.

Theophile Viau, son of the founder, has been elected chairman of the board of directors.

Charles Geoffrion has been added to the board. Other directors are Albert Hudon, vice-president; Guy Perron and J. E. Lemieux.

Dividends Declared

	This payment	Date payable	Date of record
Ault & Wiborg, pf.	$1.37½	May 1	Apr. 20
Beatty Bros.	$1.50	May 1	Apr. 15
Brewers & Distil.	•40c	May 20	May 1
Do., bonus	•10c	May 20	May 1
Bk. of Toronto	$2.50	June 1	May 15
Buff. Ankerite	12½c	May 15	May 1
Do., extra	5c	May 15	May 1
Calgary Pwr., pf.	$1.50	May 1	Apr. 15
Candn. Bronze	37½c	May 1	Apr. 20
Do., pfd.	$1.25	May 1	Apr. 20
Can Iron Fd., pf.	$2.50	Apr. 30	Apr. 15
Can. Indus. A. B	$1.50	Apr. 30	Mar. 31
Can. W. Nat. Gas, c.	$1	Apr. 28	Apr. 27
Can. Nor. Power	30c	Apr. 26	Mar. 31
Celanese of Amer., part. pfd.	$3.50	June 30	June 15
Consol. Press	25c	May 1	Apr. 5
Can. Converters	50c	May 15	Apr. 30
Can. Inv. Fund, sp. & ord.	4c	May 1	Apr. 15
Dome Mines	50c	July 20	June 30
Do., extra	$2	July 20	June 30
Distillers & Seag. p.	$1.25	May 1	Apr. 23
First All-Can. Tr.	*7½c	Apr. 15	Apr. 15
Frost Steel, 1 pf.	$1.75	May 1	Apr. 19
Hollinger Cons.	5c	Apr. 22	Apr. 8
Do., extra	5c	Apr. 22	Apr. 8
Humberstone Shoe.	50c	May 1	Apr. 15
Hydro-Elec. Sec.	20c	May 10	Apr. 20
Int. Utilities, pf.	$1.75	May 1	Apr. 22
Do., $3.50 pfd.	87½c	May 1	Apr. 22
Inter. Nickel, pfd.	$1.75	May 1	Apr. 1
Imperial Bank	$2.50	May 1	Mar. 31
McKinley Min. Sec.	2½c	June 1	May 15
Montreal L. H. & P.	37c	Apr. 30	Mar. 31
Nor. Ont. Pwr.	75c	Apr. 26	Mar. 31
Do., pref.	$1.50	Apr. 26	Mar. 31
N. S. Trust	$3.50	Apr. 15	Mar. 30
Orange Crush, pf.	35c	May 1	Apr. 15
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Royal Bank	$2	June 1	Apr. 30
St. Lawrence Flour	25c	May 1	Apr. 20
Do., pfd	$1.75	May 1	Apr. 20
South. Can. Pwr., c.	20c	May 15	Apr. 30
Saguenay Pwr., p.	$1.37½	May 1	Apr. 15
So. Am. Gold	10c	Apr. 23	Apr. 18
Steel Co. of Can., c.	43¾c	May 1	Apr. 7
Do., pf.	43¾c	May 1	Apr. 7
Sullivan Cons. M.	2½c	June 15	June 1
Simpsons, pfd.	$1.75	May 1	Apr. 24
Toburn Gold	2c	May 21	Apr. 21
United Corp.	▲75c	May 15	Apr. 30
United Steel, A	75c	May 1	Apr. 15
Un. Bond & Sh.	20c	Apr. 15	Mar. 31
Wood, Alex. & J., pf.	$1.75	May 5	Apr. 30

•Subject to ratification at meeting Apr. 29, 1937. ▲On arrears. *1945 (fund).

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND No. 199

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the first day of June next, to shareholders of record at the close of business on the 30th day of April, 1937.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que, April 13th, 1937.

The Bank of Toronto

Dividend No. 223

Notice is hereby given that a **Dividend of Two and One-Half** per cent. upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the first day of June next, to shareholders of record on May fifteenth, 1937.

By Order of the Board.

H. B. HENWOOD,
General Manager.

Montreal Tramways Company

Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of the Shareholders of MONTREAL TRAMWAYS COMPANY will be held at the Head Office of the Company, Tramways Building, 159 Craig Street West, Montreal, on Monday, the 26th day of April, 1937, at 12.00 o'clock noon.

This meeting will be held for the purpose of receiving and considering the Annual Report and Financial Statements, for the election of Directors, the appointment of Auditors, and for such other business as may properly come before said meeting.

The Transfer Books will be closed from the 6th day of April, 1937, to the 25th day of April, 1937, both days inclusive.

By Order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

Montreal, February 22nd, 1937.

SIMPSONS, LIMITED

Preference Dividend

NOTICE is hereby given that a Dividend of One Dollar and twenty-five cents per share on the outstanding paid up Cumulative Preference Shares of the Company has been declared payable on May 1, 1937, to shareholders of record at the close of business on April 24, 1937. The transfer books will not be closed.

FRANK HAY,
Secretary.

Toronto, April 17, 1937.

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ended March 31st, payable May 15th, to shareholders of record April 28th, 1937.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, April 19, 1937.

Howard Smith Extends Plants

Demand for Pulp Causes Expansion of Mill Facilities

From Our Own Correspondent

MONTREAL. — In order to take care of business expansion Howard Smith Paper Mills is extending its mills producing soda pulp, sulphite and sulphate pulp, according to a statement made by Howard Crabtree, president, at the annual meeting of shareholders.

At present these plants are working at full capacity, but the company can hardly meet the demand. The demand for sulphite pulp, which is used in rayon production, has been especially good. With larger plants the president expressed the hope the company would be able to meet a larger share of the increasing demand.

As regards the paper mills, Mr. Crabtree stated they were fairly well occupied, but not to the same extent as the mills producing pulp.

Approve Share Increase

At a special meeting preceding the annual meeting, shareholders voted approval of a by-law, providing for an increase in authorized capital from 300,000 to 400,000 common shares of no par value.

One of the purposes of the increased share capital, Mr. Crabtree said, was to acquire as much as possible of the minority shareholders' interest in the capital stock of subsidiary companies. At the end of last year the minority interest had a book value of over $1.1 million for preferred shares and $25,366 for common.

Chandler Mill Reopens in July

From Our Own Correspondent

MONTREAL.—The Chandler pulp mill will be reopened shortly by the Gaspesia Sulphite Co., according to a statement made in the Legislative Assembly by Premier Duplessis.

The Government has arranged to have the mill reopened in July. The new company will not have sufficient wood of its own at the commencement of operations, but the colonists of the region are expected to be in a position to furnish the wood. If, however, it should happen that the colonists could not supply the wood, it means that operations will not commence until next October.

The new company is directed by Canadian and English interests. The directors are: R. A. McInnis, general manager of Anglo-Canadian Pulp and Paper Co.; Sir George Sutton and E. A. Sursham, of London, Eng., Jean Mercier, J. A. Coulonde and W. J. Clarke, of Quebec; R. C. McMichael, K.C., and Paul Gauthier, Montreal.

DIVIDEND NOTICES

BRITISH AMERICAN OIL COMPANY B-A LIMITED

NOTICE is hereby given that a dividend of Twenty-five Cents (25c.) per share has been declared on the issued No Par Value capital stock of the Company for the second quarter ending June 30th, 1937. The above dividend is payable in Canadian funds, July 2nd, 1937, to shareholders of record at the close of business on the 16th day of June, 1937.

Share Warrant Holders will present coupons, Serial No. 29, to any branch in Canada of The Royal Bank of Canada, who will negotiate them at par, on or after July 2nd, 1937.

By order of the Board.

H. H. BRONSDON,
Secretary.

Dated at Toronto, April 19th, 1937.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 30th day of April, 1937.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of May to Shareholders of record of the 21st day of April, 1937.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of May to Shareholders of record of the 5th day of May, 1937.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, April 12, 1937.

McIntyre Porcupine Mines LIMITED

(No Personal Liability)

DIVIDEND NO. 74

Notice is hereby given that a dividend of ten per cent (10%) on the Company's Capital Stock will be paid in New York funds on June 1, 1937, to shareholders of record at the close of business on May 1, 1937.

By order of the Board.

BALMER NEILLY,
Treasurer.

Dated at Toronto, April 20, 1937.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share has been declared on the No Par Value Shares of this Company for the Quarter ending 30th April, 1937, payable 15th May, 1937, to Shareholders of record at the close of business on the 30th April, 1937.

By Order of the Board,

F. W. EVENS,
Secretary.

Montreal, Que.
20th April, 1937.

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Dominion Rubber Buy in 6% Bonds

From Our Own Correspondent

MONTREAL. — Dominion Rubber Co. has acquired $329,200 par value of Canadian Consolidated Rubber Co. 6% bonds, as a result of the proposal to purchase any bonds offered between Feb. 1 and April 1, 1937, at 110 and accrued interest. This reduces the amount outstanding to $2,104,500.

Last December the company proposed to redeem all of these outstanding bonds, but action was delayed because of a current court decision in Great Britain confirming a corporation's liabilities with regard to payment of bonds in gold.

Farm Machinery Shortage in West

Dealers Report Sales Up 25% — Farmers Pay 40% Cash

From Our Own Correspondent

REGINA.—For the first time in a good many years there is a shortage of power farm machinery. Distributors are unable to get a sufficient supply to cope with the demand which has been unprecedented this spring. Farmers are paying up to 40% cash for their purchases.

The shortage situation applies to the whole of Saskatchewan. Last year there were slightly more than 1,300 tractors sold within the province and most of them in the spring of the year. It is difficult to obtain actual figures this spring on the number sold but dealers say sales are up 25%.

The heavy rubber-tired tractor is favored by Saskatchewan farmers and the average price being paid for the machine is about $1,300. In some instances cash is handed over to the dealer but in others only a small down payment. In the main, dealers say the cash business is surprisingly good and a revelation to them.

Livestock Group Making Progress

From Our Own Correspondent

REGINA.—The Dominion Agricultural Credit Company Ltd. expects to come out of the red this year for the first time in its existence. This statement was made by H. O. Powell at the annual meeting in Regina, attended by a number of the directors. Loss on last year's operations was about $11,000 which was $7,000 less than the previous year.

The company, which has been in existence slightly more than five years, has had to feel its way. Its object was to place good cattle and sheep in the hands of reliable farmers on a share basis and operations are reaching the point where, taking into consideration economies that have been effected, the company will perhaps by next year be able to show a profit.

Higher prices have had their effect on company returns, also returns to farmers handling company's stock, said Mr. Powell. This increase should be reflected to a greater extent as the volume of stock handled by the company increases.

Company Reports

United Securities

United Securities Ltd., controlling Montreal Tramways Co. and Canadian Light and Power, reports a gross revenue last year of $478,472, and a net income of $206,797. In both cases the returns for last year show a moderate increase over those reported for 1935.

The balance sheet shows investments with a book value of $9.7 millions and a market value of approximately $6.1 millions. During the year the book value of certain securities was written down by $575,040, leaving a balance of $16,552 at the credit of investment reserves. The only other changes of interest were a reduction in the outstanding series "A" bonds from $3,213,000 to $3,152,000 and in the series "B" bonds from $1,435,000 to $1,406,000.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross revenue	478,472	474,690
Less: Expenses	19,775	22,235
Bond interest	251,900	256,788
Net income	206,797	195,667
Less: Dividends	102,522	102,522
Surplus	104,275	93,145
Previous surplus	302,542	309,496
Less: Income tax	104	98
Invest reserve	325,000	100,000
Surplus forward	81,713	302,542

Inter. Holding

Net profit of International Holding and Investment Co. for 1936 amounted to $231,303, compared with $200,384 in 1935 and $160,410 in 1934. This was equal to $3.10 a share, as against $2.13 and $1.191 in 1935 and 1934, respectively.

Loss on realization or capital gains account amounted to $233,946 as against $19,309 in 1935. The net value of the company's assets stands at $15.1 millions, an increase from $10.4 millions a year ago and $9.3 millions at the end of 1934.

Shawinigan

Shawinigan Water and Power Co.'s statement for the first quarter of 1937 shows gross revenue of nearly $3.7 millions, as against $3.3 millions for the same period last year. Surplus before depreciation and income taxes totalled $1.1 million, as against $781,033 last year.

(Quarter Ended March 31)

	1937 $	1936 $
Gross revenue	3,677,092	3,290,846
Expenses:		
Gen. oper. exps.	799,244	720,021
Power purchased	428,499	449,424
Water rentals	108,316	101,462
Taxes, insurance	220,537	203,402
Reserve for exchge.	6,000	25,000
Net oper. revenue	2,114,496	1,791,537
Fixed charges (including $39,784.44 amortization of bond disc. & premium)	997,896	1,010,504
Surplus before deprec. & inc. taxes	1,116,600	781,033

Week in Wheat

Sharp Declines Shake Wheat Mart Confidence

Possibility of Runaway Prices Before End of Crop Year Now Considered Remote — Crop Prospects Improve

From Our Own Correspondent

WINNIPEG.—While the wheat market has recovered some of the losses incurred in last week's precipitate slide in prices, it has only partially recovered its former tone of confidence. Some disposition to take on fresh commitments was noted, but there was a good deal of hesitation about the trade. Enough factors are still present to make for a strong market before the end of the crop year next July 31 but probability of runaway prices is now considered remote.

Like the earlier advances, last week's decline originated outside of Canada, and movements were a reflection of changing opinion in other countries. Buenos Aires, Liverpool and continental markets broke almost simultaneously, with Australia promptly following. Chicago showed greater comparative strength.

Factors Behind Decline

At least three separate factors combined to produce the world-wide decline in wheat prices which last week brought the market level some 20 cents a bushel below recent peaks. Perhaps it would be more correct to say that three factors which had previously combined to push wheat prices steadily upward suddenly ceased to operate at their former strength.

In the first place there was a lull in European buying, a lull which had actually been expected several weeks before it actually occurred. The delay had led some observers to believe that it might not occur after all. In a way that surprised most markets, Italy had kept on bidding for wheat after purchases had exceeded original estimates. But the tremendous shipments of Argentine wheat, even if later than expected, had the effect of slowing up consumptive demand.

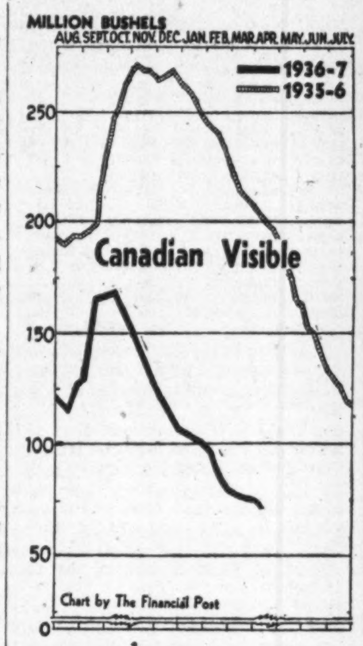
Then the anxiety about supplies for the coming year, produced by unsatisfactory outlook for wheat production on the North American continent, was allayed by reasonably good progress of the United States winter wheat crop, by extensive precipitation in the American spring wheat belt, and by rains over a good portion of the Canadian combined to produce the world-wide

Perhaps just as important, fears of a runaway inflationary movement of prices were checked and a belief began to grow that, through manipulation of gold prices or otherwise, general price advances might be checked.

No Change Board Policy

One explanation offered for last week's price decline was entirely without any basis in fact. That was the suggestion that the Canadian Wheat Board had altered its selling policy and presumably had either begun, or was about to begin, liquidating its remaining surplus at a more rapid rate. There was no reason to believe that anything of the kind had either occurred or was in contemplation, and it did not need the subsequent denials of the Canadian Government and of the Wheat Board to convince well-informed members of the trade that there had been no change.

It is a matter of common knowledge that the holdings of the Board have been reduced to comparatively small proportions. It is also a matter, if not of common knowledge, at least of practically uniform belief, that the Wheat Board policy is one of fairly uniform selling for the remainder of the crop year, with every intention of being rid of all of its wheat before July 31. Members of the trade think they know that while the Board still has some May wheat a considerable portion of its holdings has been put into the July future.



SELLING AGAIN

With the bulk of the Argentine crop marketed and no chance of any new supplies until the first of the United States harvest is ready about June 1, Canada now enters the second selling period of the season. Last week export clearances stepped up from a little over 1.5 million to almost 2.5 million and further increases in volume may be expected in the next few weeks. Visible supply at 77.7 million bushels compares with 197.5 million bushels at this time a year ago.

Details in bushels are as follows:

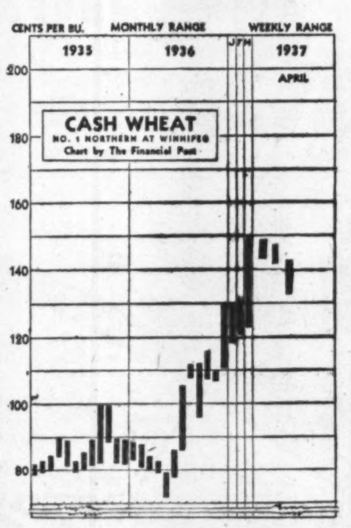
Week of April 16	Week Previous	Last Year
77,703,000	80,777,000	197,519,000
Export Clearances*		
Week of April 16	Week Previous	Last Year
2,497,518	1,651,108	2,884,796

*Plus U. S. imports.

Wood, Alexander & James Declares Pref. Dividend

Wood, Alexander and James, Ltd., Hamilton wholesale hardware firm, has declared a dividend of 1¾% against arrears on its first preference shares. The dividend is payable May 5 to shareholders of record April 30. This is the first dividend paid by the company since Aug. 1, 1931. First preference shares are in arrears to an amount of $31.50 a share.

Wheat Prices



(Cash Quotations)

	For Week Apr. 20 High	Low	Prev. Week High	Low
1 Man. Hard	1.41⅞	1.31⅞	1.48⅜	1.41⅝
1 Northern	1.41⅝	1.31⅝	1.48⅛	1.41⅜
2 Northern	1.38⅞	1.28⅞	1.45¾	1.38⅝
3 Northern	1.35⅝	1.25⅝	1.42⅝	1.35⅛
4 Northern	1.31⅞	1.22⅞	1.38⅛	1.31⅛
5 Wheat	1.23⅝	1.14⅝	1.29⅝	1.23⅛
6 Wheat	1.15⅝	1.05⅝	1.21⅝	1.15⅛
Feed Wheat	.91½	.81⅝	.94⅝	.88⅛
Vancouver: Week to Apr. 19:				
1 Northern	1.37⅛	1.26⅞	1.45¾	1.38⅝

Competitive Export Prices:

May shipments—	Week to Apr. 17 High	Low
No. 1 North. (afloat)	1.69⅞	.....
No. 1 North. (Atlan.)	1.66⅞	1.48¾
No. 2 U. S. Hard*	1.48½	1.42¾
No. 2 North. (Atlan.)	1.61½	1.47¼
West Australian (afloat)	1.54⅝	1.36½
Australian	1.50⅞	1.35
Argentine Rosafe†	1.53⅛	1.33½
Indian (new crop)†	1.45⅛	1.37⅞

†June shipment. *August.

Winnipeg Grain Futures

Week to Apr. 20, 1937

Crop year from Aug. 1, 1936 High	Low		Open Apr. 14	High for week	Low for week	Close Apr. 20
		Wheat				
1.51⅝	1.05⅝	May	1.41¼	1.41½	1.30	1.36⅜
1.47	1.03¾	July	1.36¾	1.37¼	1.26	1.32½
1.31¼	1.04⅛	Oct.	1.21⅛	1.22⅞	1.13¾	1.19½
		Oats				
.63⅜	.42¼	May	.58⅜	.58⅛	.52⅞	.58
.60¾	.43⅝	July	.55¾	.56⅜	.50	.54¼
.54¾	.44	Oct.	.49¾	.50½	.44	.47
		Barley				
.88⅞	.50⅞	May	.75½	.75½	.64	.70½
.82⅛	.56¾	July	.71⅜	.71⅝	.61	.66¾
.75¼	.53	Oct.	.62¼	.62¼	.53	.59¼
		Flax				
2.03½	1.60½	May	1.80	1.82	1.70¾	1.78
2.05	1.63¼	July	1.86¾	1.86¾	1.71¾	1.79¼
2.01	1.70½	Oct.	1.82	1.82	1.70½	1.77
		Rye				
1.21¼	.62⅝	May	1.14⅛	1.15	1.05⅛	1.13¼
1.19	.78¼	July	1.08⅞	1.10⅜	.98	1.09
1.04½	.83	Oct.	.93¼	.93⅞	.83	.90⅞

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In The Construction World

Paradoxical as it may seem, Brantford, Ont., will be able to increase its tax revenues from improved real estate within the municipality by granting tax exemption to new dwellings built between April 1, 1937, and March 31, 1938.

Exemptions were recently authorized by a city council by-law, providing complete exemption for such dwellings in the first year after construction, two-thirds exemption in the second year and one-third exemption in the third year.

Obviously, the purpose is to encourage home construction and to provide employment for Brantford builders and building trades workers, but the ultimate effect will be to increase the total assessment of the city, and when exemption periods have expired, to increase the city's revenue from that source.

Basis of the scheme, which is now in operation, is that no levy is made for a year, and that exemption up to two thirds of the assessed value continues in the second year with the reduced exemption in the third year. Should values increase materially in the second year, and justify an increased assessment, it is conceivable that the city would lose little by the exemption clause. But the real benefit to the municipality lies in the ultimate return it will receive through encouraging new home building.

The same municipality adopted a by-law exempting home repairs from taxation for a three-year period commencing April 1, 1937, giving local effect to provincial legislation passed to augment the Home Improvement Plan.

$10 Millions for Roads

New Brunswick is investing nearly $10 millions in a two-year highway construction programme as a bid for a larger share of Canada's profitable tourist trade. The province has awarded nine contracts, adding 228 miles of permanent pavement at a cost of $4.3 millions this season, and by the autumn of 1938 will have built about 648 miles of pavement in two years at a cost of nearly $10 millions.

The programme is significant of the new requirements for modern automobile travel and the realization that more than natural scenic attractions are necessary to attract a tourist influx. Discussing the highway appropriations, Premier A. A. Dysart, of New Brunswick, told his Government that its gravel roads will no longer stand up under modern motor traffic, particularly since the travelling public is demanding open highways in winter months. Substitution of the motor vehicle for the horse and wagon necessitates modern highway construction for residents and tourists alike, and it is the object of the New Brunswick Government to provide main traffic highways equal to any on the North American continent, according to Mr. Dysart.

One of the chief means by which New Brunswick will be opened to tourist travel under modern conditions is the trans-Canada highway. By the autumn of 1938 the New Brunswick section of the trans-Canada will be completed from the Quebec border to Saint John, thence to Moncton and the Nova Scotia border.

New Building

Continental Can Co. of Canada is planning an expenditure of $400,000 on plant and machinery at St. Laurent, Quebec, and will eventually spend $1.5 million, it is understood.

National Steel Car Corp., Hamilton, is reported to be considering a further addition to its plant.

Havergal College, Toronto, is planning construction of additions to its building at a cost of around $100,000.

Daily Commercial News and Building Records reports:

Dewey and Almy Chemical Co. of Canada is contemplating erection of a $75,000 factory at Montreal.

Electrolux (Canada) may build an addition and make alteration to its factory in Montreal. Six firms are understood to have made bids on a three story and basement addition.

Canada Malting Co. is contemplating expansion to its kiln at the Montreal plant.

McKinnon Industries is planning a large addition to the Delco-Remy building in St. Catharines. The first addition to the building was carried out in 1935,. and construction of the new $300,000 foundry building will be started at once.

Howard Smith Paper Mills is planning erection of a pulp storage building and addition to its machine room at the soda pulp mill, Smithville, Ont.

Building Materials Price Rise Nearing Levels Reached in 1929

Average Wholesale Price Approaches 1929 Quotations But Building Permits in Canada Total Only $10.5 Millions Against $43 Millions in Corresponding Quarter of 1929

By THOMAS C. THOMPSON

Is Canada's building revival threatened by soaring costs of labor and materials?

The answer lies in the extent to which costs of both have advanced from the trough of the depression, but equally in the factors which make possible a continuance of the rise in the form of a runaway boom market for building materials.

Labor costs have been on the upgrade since 1934 in the building trades, and the institution of code agreements in various parts of Canada tends strongly to a continued advance in this item of building expense. Indices based on union wage scales and compiled by the Dominion Bureau of Statistics reveal that wages paid in the building trades reached a 30-year peak in 1930, when the index, based on 1913 equals 100, stood at 203.2, but in subsequent years it declined to a low of 154.8 in 1934. The upward trend was resumed in 1935 with an index figure of 159.8 and last year there was a further rise to 160.8.

Wage Rates Higher

Behind the index figures there is another story. Indices based on union wage scales do not accurately reflect wages paid during the depression period to building trades' workers since the scarcity of employment in that field led to wage rates considerably under union scales and the index figures therefore may be taken as more than generous indication or rates actually paid. Codes have accelerated the advance, however, in the last two years and the increased demand for skilled labor this season is having the natural effect of strengthening wage levels, particularly in the light of forecasts from experts that a shortage of skilled building trades' workers may occur this year.

Wage Rise is Moderate

Labor costs are rising, in relation to indices of four years ago, but the advance from 154.8 to 160.8 certainly does not yet indicate a runaway boom in the labor market and it is obvious that the index could still advance substantially without causing alarm over that phase of building costs. Allowing for the fact that any shortage of skilled labor this year will lend new impetus to the rise in wage rates, the outlook nevertheless holds no basis for immediate concern unless it is complicated by labor disputes and demands similar to those that have retarded the recovery process in the automobile industry.

When wage and material costs are combined a somewhat different picture presents itself. Costs of construction as compiled by the Dominion Bureau of Statistics on the basis of 1926 equals 100 reveal that at the end of February the index stood at 92, compared with 90.8 in January to which it had advanced from 87.5 in February of 1936 a somewhat larger relative advance than in labor costs from 1934 to 1936, but still not sufficiently large to cause concern.

Materials Largest Item

The real threat to continued recovery in the building industry is found in the advance of building materials prices. They are rising about four times more rapidly than the increase in the volume of building construction since 1929.

Building permits issued in 58 cities of Canada during the first quarter of 1937 totalled $10.5 millions. The average wholesale price index of building materials in the same period stood at 92.5 on the basis of 1926 equals 100.

The significance of those figures lies in the fact that in the corresponding quarter of the boom year 1929 the index of prices was only 99.2—but the volume of building permits, amounting to $43 millions, was more than four times the total for the first quarter of this year. In other words, prices are now within eight points of the 1929 index on a volume of building that bears no comparison with that of the boom era.

Prices vs. Volume

It is admitted on all sides that the present rise in building costs—including those of materials—is justified to some extent but the fact remains that even the advance to date has not been accompanied by a corresponding or even relative expansion in the actual volume of building in the years since 1929.

Notwithstanding an upturn in spring building activity in every year between 1925 and 1929, the price index of building materials in the first three months of these years, continued to sag from 102.9 in 1925 to a low of 75.2 in 1933. There was, of course, a temporary recovery in 1929 when the index touched 99.2 in the first quarter, but in the same three months building permits totalled $43 millions compared with $33 millions in the corresponding quarter of the preceding year.

Since that time there has been a gradual recession in building permit totals until this year, yet price indices commenced to rise from their low of 75.2 as long ago as 1933. They have been advancing ever since with the exception of a temporary decline in the first quarter of 1935 which was more than offset by the subsequent gain in 1936.

The long-term trend of building material prices in Canada, in comparison with building permits issued in the first quarter of each year since 1920, as shown by the Dominion Bureau of Statistics, throws light on the position of prices and volume of business.

Building Permits and Prices
First-Quarter Years

Year	Value of Permits 1st Quar.	Index of of Value Bldg. Per. (1926=100)	Av. Indices Wholesale Bldg. Mats. (1926=100)
	$	%	%
1937 ..	10,470,129	46.5	92.2
1936 ..	5,592,471	24.9	84.0
1935 ..	8,507,270	37.8	81.4
1934 ..	2,710,999	12.1	82.2
1933 ..	3,065,821	13.6	75.2
1932 ..	9,453,012	42.0	79.3
1931 ..	24,746,094	110.0	83.7
1930 ..	29,493,262	131.1	96.7
1929 ..	42,950,228	190.9	99.2
1928 ..	33,163,338	147.4	95.5
1927 ..	25,028,353	111.3	96.4
1926 ..	22,493,574	100.0	102.0
1925 ..	19,981,015	88.2	102.9
1924 ..	18,047,999	80.2	112.2
1923 ..	19,478,119	86.6	110.6
1922 ..	18,680,173	83.0	108.0
1921 ..	13,569,512	60.3	139.1
1920 ..	18,909,986	84.1	139.4

Percentage Gains Misleading

It is true that comparisons of building volume in Canada show tremendous gains over the figures of a year ago. The value of authorized building alone in the first quarter of 1937, amounting to $10.5 millions is higher than that of the corresponding period in any of the previous five years, 87.2% higher than that of the same period in 1936, and 286.2% higher than that of the corresponding period of 1934. However, the total is below the average of $18.5 millions indicated in the last 17 years and the impressive percentage gains lose much of their significance in view of that fact a building revival so long delayed as the present one, naturally produces tremendous percentage gains in the early stages of a recovery construction season.

Lumber Price Soars

Lumber is one of the outstanding examples in the upward price trend of building materials since March, 1936. Canadian prices took a substantial jump last month over February and large orders were booked by western mills with further orders said to be awaiting a reduction in freight rates.

Demand for lumber from both overseas and U.S. sources has reduced stocks in Canada but notwithstanding the expectation that supplies will shortly be normal as log deliveries improve, prices continue to advance. On a 1926 index base of 100, the following advances are those of representative types of lumber, substantial gains being shown during the last month:

Canadian Lumber Prices — Base 1926=100
(Dominion Bureau of Statistics)

	Mar., 1937	Feb., 1937	Mar., 1936
White pine ...	102.7	99.5	91.0
Spruce	100.4	93.7	72.1
Fir	113.7	99.9	94.2
Cedar	118.7	94.7	92.3

Iron and Steel Advance

Plant operations of Canadian iron and steel companies were reported in March at the highest level for some years and the difficulty in securing scrap metal led to greater demand for pig iron. Quotations for pig iron have been marked up $4 per ton since Jan. 1, 1937.

The price of No. 1 foundry pig iron in carlots, f.o.b. seller's works, stood at $25.50 on March 15 against $22.50 a month earlier and $20.50 on March 15, 1936, per gross ton, while scrap iron No. 1, delivered at a Canadian foundry had risen to $16 per gross ton at March 15 compared with $14 a ton a month earlier and $10 a year ago.

Copper, also used in building construction materials was quoted $16.24 per 100 pounds, carlots f.o.b. Montreal for domestic electrolytic, an advance from the February average of $14.62 and a tremendous increase over the March, 1936, average of $9.62 World stocks of copper, it may be noted, fell from 336,097 tons in January to 328,169 tons in February.

Other Materials Higher

Scores of other building materials may be cited as indicative of the extent in price gains during the last two years and since March, 1936. Among them are such important items as the following:

Index Values of Building Materials in Canada
(Dominion Bureau of Statistics 1926 = 100)

	Mar., 1937	Mar., 1936	Aver. 1935
Wire	96.6	86.8	86.8
Brass, copper products	111.4	65.9	59.9
Lead and products ..	95.4	57.0	48.9
Zinc and products ..	88.3	51.6	45.3
Solder	101.7	78.5	79.3
Non-ferrous metals ..	97.4	69.3	69.1
Non-metallic minerals	95.4	85.9	85.5
Glass and products ..	83.9	78.2	80.1
Plaster	112.2	109.2	107.1
Asbestos	75.8	75.8	*77.6
Lime	108.2	102.1	99.7
Paint materials	80.7	67.8	67.0
Cement	106.2	105.2	105.2
Prepared paints	67.2	63.8	74.4
Sand and gravel	91.7	91.4	88.0
Building stone	64.3	64.3	64.3
Crushed stone	85.8	80.5	73.4
Construction materials	97.3	84.2	81.2

*Decrease.

Canada Cement Denies Plant Move

From Our Own Correspondent

MONTREAL.—Report that Canada Cement Co. would remove one of its Montreal plants to Campbellton, N.B., is denied by officials of the company. Rumor had it that one of the company's properties had been expropriated by the City of Montreal to allow the extension of several streets and also that the rock resources at Campbellton had been investigated and found satisfactory as to quantity and quality.

Mackenzie Air Service Lists Stock in Montreal

From Our Own Correspondent

MONTREAL.—Capital stock of Mackenzie Air Service has been called for trading on the Montreal Curb Market. The listing covers 291,100 common shares of no par value, with authority to add 208,500 shares upon official notice of issuance. A total of 142,500 shares are pooled for a period of one year from Feb. 27 last.

Mackenzie Air Service has an agreement with Wings Ltd. and General Airways Ltd. with respect to the formation of a company to be jointly controlled called "United Air Services Ltd." to be organized for the purpose of securing air mail contracts and the effecting of savings in the purchase of equipment and supplies. Under this agreement, the company will be obliged to issue as fully paid approximately 20,000 of its shares.

Int. Metal Volume Up

Increases Continue in 1937—Muskegon Plant Reopens

Operations of International Metal Industries in the first quarter of 1937 continued to show substantial improvement in volume, says President A. L. Ellsworth in the annual report for 1936 which shows earnings in excess of preferred dividend requirements. He makes no mention of plans for dealing with preferred dividends which were in arrears $27.75 a share at the close of 1936.

The increased volume of business this year would have necessitated capital expenditures at the plant at Conshohocken, Pa., and directors therefore decided to reopen the plant at Muskegon, Mich. It will be used in production of service station equipment lines including gasoline pumps, grease and lubricating equipment, etc. Reorganization of the Conshohocken plant was not completed until 1936. For this reason, Mr. Ellsworth states, the operations for the early months of last year did not receive the full benefit of the cost reductions. Results in the early months were also affected by competitive price situations in some of the major lines, he adds.

For the whole year 1936 there was a substantial increase in business volume, and this combined with better selling prices and greater operating efficiency in the second half of the year enabled the company to improve its showing.

Net profits of $351,365 were sufficient to wipe out the previous deficit of $216,803. They amounted to $7.77 a share on the preference stock. Allowing one year's preference dividends, the profit amounted to 43 cents a share on the class A common.

B.C. Expanding Sulphite Output

Pulp Mills Supply Rayon Industry — Export to Japan

From Our Own Correspondent

VANCOUVER. — Interesting development in British Columbia pulp manufacture has been the conversion to bleached sulphite, used largely as a base for the making of rayon. Nearly all the bleached sulphite is shipped to export markets.

One country that appears to be in the market for bleached pulp, on a large scale is Japan. A trial shipment last year was successful, and there will be a steady movement of this kind of pulp to the Orient from now on.

B. C. Pulp & Paper Co. will soon complete the installation of bleached sulphite manufacturing equipment at its two plants at Woodfibre and Port Alice.

Powell River Company is also entering the pulp export business to some extent, in the past all its output having been restricted to newsprint. The pulp goes to Japan.

Port Mellon Operating Co., a new concern, is also shipping kraft pulp to Japan.

Nearly 90,000 tons of pulp were exported from B. C. last year, and a large increase is expected this year.

Company Reports

McLeod Building Ltd.

Revenue of McLeod Building Ltd., Edmonton, showed a small increase in the year ended Mar. 31, 1937, but higher expenses brought a somewhat larger net loss. The company's 6% mortgage, payable to the city of Edmonton, has been reduced to $286,861. Preference dividends are in arrears to the extent of $33.25 a share, a total of $127,775.

Income and Deficit Account
Years Ended March 31

	1937	1936
	$	$
Rental revenue	79,847	78,360
Add: Int. on invest. ..	843	915
Total income	80,690	79,275
Less: Expenses	67,629	65,427
Oper. profit	13,061	13,848
Less: Depreciation ...	18,948	18,948
Loss for year	5,887	5,100
Add: Prev. deficit	69,923	64,780
Inc. tax adjust.	......	43
Less: Int. adjust.	112	.....
Deficit forward	75,698	69,923

Working Capital

	1937	1936
	$	$
Current assets	36,115	42,183
Current liabilities	23,399	32,399
Working capital	12,716	10,784

Themis Building

Revenues of Themis Building, Montreal, increased slightly in 1936 but higher expenses left the company with a somewhat greater loss for the period. Bond interest was charged on the company's $659,000 of 5% income bonds at the full rate of 5% but only two payments of 1% each were made.

Revenue and Expend. Account
Years Ended Dec. 31

	1936	1935
	$	$
Revenue	54,281	53,994
Less: Oper. exps.	38,689	36,571
Bond interest	32,950	32,950
Loss for year	17,358	15,527

Working Capital

	1936	1935
	$	$
Current assets	12,827	9,968
Current liabilities	116	16
Working capital*	12,711	9,952

*Does not include accumulated arrears of bond interest amounting to $53,818 in 1936 and $34,049 in 1935.

Quebec Apartments, Ltd.

A lower loss is reported by Quebec Apartments, Ltd., Quebec, P.Q., for 1936 than that for 1935. During the year $16,600 of bonds were acquired, bringing the outstanding amount down to $320,300. Current liabilities include $22,273 of municipal taxes, concerning which litigation is in progress.

Income and Deficit Account
Years Ended Dec. 31

	1936	1935
	$	$
Revenue	81,321	81,202
Less: Oper. exps.	51,908	51,549
Directors' fees	160	200
Doubt. accts.	468	.....
Depreciation	15,106	18,291
Bond interest	16,455	16,455
Loss for year	2,776	5,293
Add: Prev. deficit	5,626	521
Tax adjust.	77	.....
Less: Furniture sold ..	5	40
Bad debt recov.	.....	155
Deficit forward	8,474	5,62[illegible]

Working Capital

	1936	1935
	$	$
Current assets	27,581	20,646
Current liabilities	34,117	26,699
Excess of current liab. over current assets..	6,536	6,053

St. Catherine Improvement

St. Catherine Improvement Co. of Montreal, reports gross revenue in the year ended Apr. 20, 1936, of $56,348. After providing for operating expenses, taxes, bond interest and general interest, as well as setting aside $7,300 for amortization of buildings, there was a net loss during the year of $5,702.

Dominion Coal Co. Calls Block of Bonds

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. has called by lot $351,500 face value of its 5% first mortgage bonds for sinking fund purposes. Payment of 105% of par value will be made on May 1. This operation will reduce the outstanding bonds, which mature in 1940, to $1,480,500.

STEEL STRUCTURES
RAILWAY AND HIGHWAY BRIDGES
PLATE AND TANK WORK
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HYDRAULIC REGULATING GATES AND OPERATING MACHINERY
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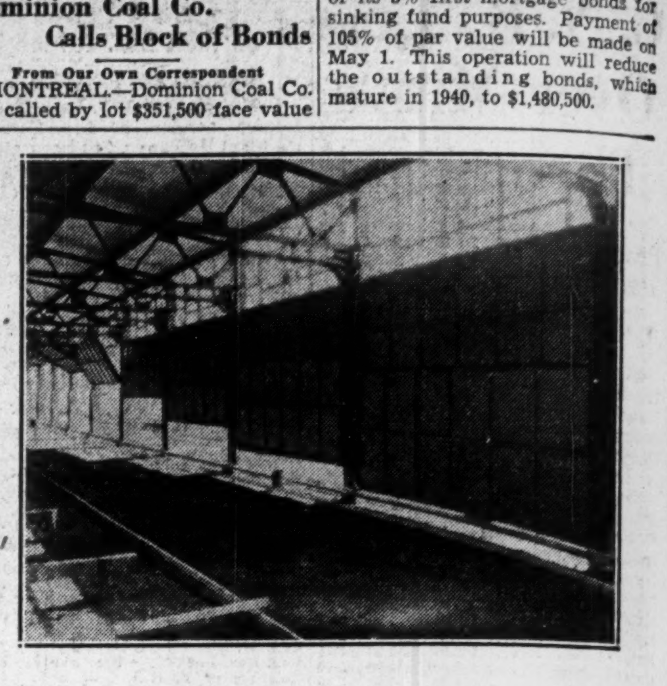
AGENCIES: EDMONTON REGINA



THESE VICKERS-KINNEAR DOORS ARE PART OF AN INSTALLATION RECENTLY ERECTED IN QUEBEC HARBOUR, COMPRISING 67 VICKERS-KINNEAR BI-FOLD AND 59 VICKERS VERTICAL-LIFT ALL-STEEL WAREHOUSE DOORS.

The celebrated
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"We can have them ALL under the HOME IMPROVEMENT PLAN"

IT'S very likely that within the next few days a representative of a plumbing, building, flooring or roofing contractor, or of a painter and decorator will call on you with detailed information on the Home Improvement Plan and how it can be applied to suit YOUR home and YOUR budget. Study the literature each one of them leaves with you: decide on the specific improvement or improvements to be started this season and get definite cost figures.

SIMPLIFIED FINANCING

Any contractor, supply firm or architect can help you arrange a Home Improvement Plan loan if you need it, to finance the work for you, or you can apply direct to your banker. No security or endorsement needed: you simply show that you can repay in monthly instalments and the loan is made, the work proceeds, your home is made brighter and more livable and *men get needed jobs.*

Full information on the Home Improvement Plan and what it covers may be obtained from your local committee, your Provincial Chairman, your bank or the National Employment Commission, Ottawa.

(The cost of this series of advertisements sponsored by the National Employment Commission, has been defrayed entirely by public-spirited concerns and individuals as a contribution towards that "Nation-wide co-operative effort" envisaged by the Parliament of Canada in the National Employment Commission Act.)

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UNDER THE AUTHORITY OF THE DOMINION GOVERNMENT

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TEN/TEST is the ultimate in insulation. It is permanent It can't *settle* . . . it stays put. It can't *slump* in corners of door or window frames . . . it holds its position. It's *rigid* . . . that's how TEN/TEST is different from some other forms of insulation. It lasts . . . and it permanently bars the biting blasts of winter, and the scorching heat of the hot summer sun. A TEN/TEST house is warmer in winter and cooler in summer. It makes a more comfortable home and a healthier home.

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Avoid building mistakes—investigate TEN/TEST. Consider its permanence, its insulating qualities and its economy. If you're remodelling, consider the many beautiful effects that can be obtained with TEN/TEST. Your lumber dealer will be glad to give details and the TEN/TEST Book will give you many smart ideas on modernizing. Write for a copy. Under the Home Improvement Plan, structural changes can be made on terms which suit your convenience.

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THE *Lifetime* INSULATING BOARD

C. N. R. Loses Battle Over Mining Railways Through Quebec Areas

Proposed C.P.R. Subsidiary Robbing National, It Is Claimed

From Our Own Correspondent

QUEBEC.—Two defeats in a row has been the fate of the Canadian National Railways, in connection with proposed railways in the Province of Quebec, for following hard on the adoption of the bill which authorized the Quebec Goldfields Railway to run their line northward from Mont Laurier—which was bitterly opposed by the Canadian National—the railway committee has now adopted the bill providing for the construction of a railway line by the Temiscamingue and Abitibi Railway—a Canadian Pacific subsidiary—from Angliers to Rouyn and Senneterre.

The Canadian National also opposed this line, on the grounds that the Province of Quebec would suffer, and that there would be an average loss of one million dollars for the first year, with this figure mounting to $3 millions per year for the first five years, but despite this the committee adopted the bill, and it will now come before the Legislature for third reading and adoption.

C. N. R. Opposition

The Canadian National opposition came from the fact that this road is constructing a line from Rouyn to Senneterre, and officials of the road feel that construction of the Temiscamingue and Abitibi line would constitute "encroachment" upon Canadian National territory.

Antoine Rivard and C. Darveau representing the C.N.R. submitted that the railway had made heavy sacrifices for the development of the region. They submitted also that it would be only fair for the Canadian National to take advantages of whatever benefits were coming as a result of the development of this region. The projected line, which the Canadian Pacific contemplated, under the name of the Temiscamingue and Abitibi, would result it was claimed in duplication of services, which was contrary to the agreement reached between the two companies.

Mr. Rivard also claimed that the interests of Quebec were best served by the Canadian National, that 85% of all traffic destined northwest of Quebec originated in this province and was carried over Canadian National lines.

Quebec Link Up

Moreover, when the new Senneterre-Rouyn branch line is opened by the Canadian National during the coming autumn, for which the people of Canada have spent some $6 millions already, Montreal and Quebec would be linked directly with Val d' Or and other mining centres.

On the other hand, A. Gravel and A. de G. Provost, representing the Canadian Pacific, claimed that the C.P.R. was the first to take any steps in the matter of constructing a line between Angliers and Senneterre-Rouyn, and that the committee had authorized the company to build this line last year.

Unfortunately, the dissolution of the Legislature had prevented realization of this project,and the C.N.R. had taken advantage of this to obtain from Ottawa the permission to construct a line from Noranda to Senneterre, the most profitable section of the road.

Mr. Rivard, for the Canadian National, claimed that right at the time when Canada's ratepayers were hoping to be able to draw a little profit from the $90 millions that had been invested in the Transcontinental, a private company, the Canadian Pacific Railway, which had up to the present refused to help in the development of the region in question, now wanted to invade it. The loss of receipts as a result of the encroachment of the C.P.R. into C.N.R. territory would be at least $1 million for the first year, and would reach some $3 millions per year for the first five years.

Northern Delegation

Debate on the bill was keenly followed by a large delegation from Temiscamingue, which had made the journey to Quebec to support the bill, and Rev. Father Leroux, colonization missionary from there, stated that this region had no outlet northward, and that Toronto and Winnipeg fed the mining centres. The present roads, according to the missionary, favored Ontario, to the detriment of Montreal and Quebec.

Nils Lariviere, M.L.A. for Temiscamingue, wanted to know if there was any C.N.R. objection to the Canadian Pacific building the 100-mile branch line, and this drew from Mr. Rivard the remark that the only objection entertained by the Canadian National was that it would create a new line which would profit Toronto. "From Rouyn to Senneterre, however, is a different matter. We do not see the utility of two parallel lines," Mr. Rivard said.

Goldfields Line Changes Name

From Our Own Correspondent

QUEBEC.—The Quebec Goldfields Transportation Co., which has been authorized by the legislature of the province to build a railway extending northward from Mont Laurier, in the Province of Quebec, will be known as "La Cie. du Chemin de fer Nord-Ouest Quebecoise." The change was made in order that the word "Goldfields" might not be termed a misnomer.

The bill is now before the Legislative Council, and if it is ratified, will receive Royal Sanction at the end of the present session.

Alberta Extends Debt Moratorium

Government Given Power to Allow Postponement of Debt Payments

From Our Own Correspondent

EDMONTON.—Powers to invoke a blanket moratorium on private debts in Alberta were granted to the Aberhart Government by the legislature under the Postponement of Payment of Certain Indebtedness Act, passed shortly before the house adjourned until June.

The Act represents the latest move in the complicated game in regard to debt reduction and adjustment, to which the Aberhart Government has devoted much time since taking office.

The general moratorium imposed by the Government when its old Debt Reduction Act was declared ultra vires, runs to April 23. The new moratorium act, representing a salvage of moratorium powers from the bill at present in suspense, is expected to be used to extend the debt holiday.

A former proviso in respect to moratoria powers, that they were restricted to stated areas ravaged by drought or crop failure, has been deleted.

McColl Frontenac Oil Buys in Preferred

From Our Own Correspondent

MONTREAL. — McColl-Frontenac Oil Co. has notified the Montreal Curb Market that 304 shares of the company's 6% cumulative sinking fund preferred stock have been purchased for redemption and cancelled.

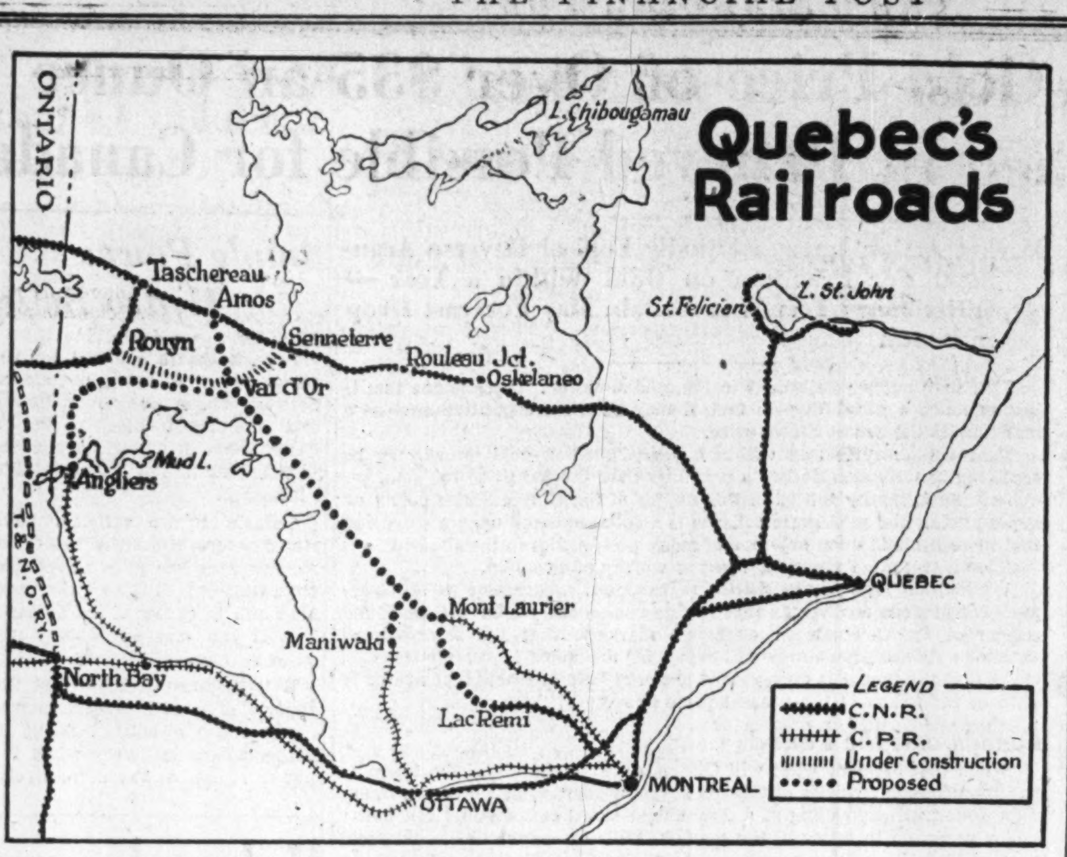
At the end of last January the company had outstanding 77,674 shares of preferred stock of the par value of $100 each. The current redemption thus reduces the total to 77,370 shares.

Bank of Canada Weekly Statement

Major change in the Bank of Canada statement for the week ended Apr. 14 was an increase of more than $5.1 millions in deposits of the chartered banks. Balance of the Dominion Government, on the other hand, was $4.4 millions lower. Gold holdings continued to climb, advancing $1.7 million during the week to $191.4 millions.

Balance Sheet

	Apr. 14 1937 $	Apr. 7 1937 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	127,832,250	128,403,247
Rest fund	743,716	743,716
Dep.: Dominion	35,045,724	39,408,526
Banks	188,332,840	183,201,978
Other	1,268,405	1,484,405
Total deposits	224,646,969	224,094,910
All other liabs.	1,168,260	1,472,448
Total liabs.	364,541,195	364,814,321
Assets		
Reserve: Gold	191,307,816	189,629,921
Silver bullion	2,430,171	2,412,496
Res. in sterling and U. S.	14,536,089	16,774,921
Total reserve	208,274,076	208,817,338
Subsidiary coin	218,148	211,347
Investments:		
Dom. govt. short	50,813,225	50,831,373
Other Dom. Govt.	102,125,554	101,735,467
Total invest.	152,938,779	152,566,840
Premises	442,541	373,724
All other assets	2,667,651	2,845,071
Total assets	364,541,195	364,814,321
Reserve ratio	59.07%	59.23%



SCENE OF BITTER RAIL DISPUTE

Northwestern Quebec mining area, which represents a mining investment at current market prices of around $300 millions, is being eagerly coveted by Canada's two great railway systems, Canadian Pacific and Canadian National. The latter company won a preliminary bout with its opposition last year, with the result that work is nearing completion of an extension from Rouyn to Senneterre, through the rich Cadillac - Malartic - Harricana district. This line, shown above, will be in operation by October of this year. If plans of the C. P. R., however, are carried to completion, the area will be tapped from two other railways, the Temiscamingue & Abitibi, (a C. P. R. subsidiary) from Angliers to Rouyn, and then to Senneterre, and by Quebec Goldfields Railway Co., from Maniwaki and Mont Laurier to Amos. Back of the dispute, observers see a fight between Montreal and Toronto for the control of the rail facilities to this rich mineral land.

Six Per Cent Lending Rate

Most Common Charge According to Federal Reserve Survey

Six per cent is the interest rate most frequently charged by United States' banks on loans to their customers, according to a survey recently made by Federal Reserve authorities.

This is an average figure. Loans at 5% are quite common in the larger centres, and are frequently made at substantially lower rates. In New York City, for instance, 13 banks reported 6% as the rate most frequently charged on industrial and commercial loans, but seven reported rates as low as 1¼% and 1½%. Sixteen other institutions in that city stated that the rate they charged most often was somewhere between these limits. In cities such as Chicago and New York, on urban property loans and on commercial loans in Chicago and New York, and on commercial and industrial loans in Chicago, 5% is probably a representative rate.

Country Rates Higher

In smaller cities, however, much higher rates are in effect. Country banks frequently reported rates of 8%, and many borrowers are being charged 10%. The higher rates are especially common on agricultural loans.

It will be noted that borrowing costs in some of the larger American cities are considerably lower than in Canada, while, on the other hand, Canadians in rural districts are much better off than they would be in the United States. Canadian bankers point out that the reason for the very low rates in some of the large cities across the border is that no interest is paid on deposits. Naturally, this has the effect of materially reducing the cost of money to the bank and consequently the rates at which it can afford to lend. It is estimated that less than 50% of deposits in the United States are non-interest bearing, whereas, despite elimination of interest of current accounts here, about 75% of Canadian deposits carry interest.

Rates on Loan Volume

The Federal Reserve survey points out that in view of the fact that large loans are usually made at lower rates of interest than smaller ones, rates charged the largest number of borrowers may vary materially from those charged on the bulk of loans. To obtain the latter material, banks were asked for figures on rates charged on the largest volume of loans. Results are naturally unduly influenced by the figures of smaller banks, as each bank is given equal weight in compiling the survey.

Detailed analysis of figures obtained show that many banks in large cities, are making loans at lower rates, in some cases at appreciably lower rates than those reported by most member banks of the Federal Reserve system. In Dawson, Cleveland, Richmond, Atlanta, New Orleans, Detroit, St. Louis, Minneapolis and San Francisco as well as in New York and Chicago, the majority of banks reported rates on industrial and commercial loans of 4% or less on the largest proportion of their loans. A rate of 1½% was quoted frequently.

At country banks, there is less variation. At a large majority of country banks, 6% is the most common rate, in a great many, 7% and 8% is common and 10% is not infrequent. A rate of 5% is seldom reported by country banks in cities of less than 100,000 except on real estate loans.

Jamaica Public Services Gross Sets Record in 1936

From Our Own Correspondent

MONTREAL.—Gross earnings of Jamaica Public Service Ltd. for the past year were higher than at any time in the company's history. While it is anticipated that increased operating expenses and taxes will slightly more than offset increasing growth, per share earnings last year will be about $2.20, compared with the annual dividend rate of $1.75 a share.

To take care of improving business, the company has just completed installation of an additional generating unit at Kingston and is planning to install a further unit at Montego Bay.

Bank Lending Rates Show Decline in West

Apart from grain loans, rates charged by the chartered banks on advances have varied only in western Canada over the last 10 months, according to figures prepared for The Financial Post by one of the chartered banks. While these figures refer to operations of an individual bank, it is believed they are representative of lending rates as a whole.

Partly to meet competition from American funds, the rate of borrowings against grain were shaved a full 1% in the West, with the smaller eastern business obtaining an even greater concession.

Most important of the other rate reductions in the West is that of ½% on commercial advances. This brings the western rates to a 5% to 6% range, the same as that in the East. So far as can be ascertained, this is the first time that East and West have been on equal terms in this respect. Other changes include smaller declines in loans to brokers and to customers against securities.

It will be recalled that rates on bank borrowings were reduced by approximately ½ of 1% last June, paralleling the cut in interest paid on deposits.

Bankers point out that all loans in the classifications where reductions have been made are not necessarily affected. Each loan application, they contend, must be considered on its individual merits, with considerations such as the amount, security, etc., which may justify a higher rate to one person than to another.

Comparative figures giving the range of rates to various classes of borrowers are as follows:

	Western Canada			Eastern Canada		
Loans:	April 1937 %	June 1936 %	1933 %	April 1937 %	June 1936 %	1933 %
Farmers	6½-7	6½-7	8-9	6	6	7
Commercial	5-6	5½-6½	6½-7½	5-6	5-6	6-7
Municipal	5¾	5¾	7	4½-5	4½-5	6-6½
Brokers	5-5½	5½	6	4-4½	4-4½	6-6½
Customers against securities	5-6	5½-6	6-7	5-5½	5-5½	6-6½
Grain	3½	4½	6	3½-4	5	6

Foreign Exchange

Sterling ruled firmer in foreign exchange markets last week as fears that the price of gold might be changed by the United States and that the French franc might be allowed to depreciate below the lower limit set at the time of devaluation last fall were allayed.

Following the definite announcement that the United States would not tinker with the price of gold, the English Chancellor of the Exchequer, Neville Chamberlain, stated in reply to a query in the House of Commons:

"It is not presently part of the policy of the Government to maintain a fixed price for gold in terms of sterling. The price of gold is one of the factors to be taken into account in determining the monetary policy from time to time. We are fully alive to the undesirability of interfering with the flow of business toward recovery."

The French franc was steady during the week at about 4.46 cents, following its recent slide. The statement of Finance Minister Auriol that the franc would not be allowed to fall below 4.35 cents, as determined last fall, is considered significant.

Gold shipments to New York, particularly from England, are once more increasing in volume.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Apr. 12	Apr. 13	Apr. 14	Apr. 15	Apr. 16	Apr. 17
U. S. Dollar, High	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]
Low	.99[illegible]	.99[illegible]	.99-57/64	.99[illegible]	.99[illegible]	.99⅞
1936 High	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00⅝	1.00[illegible]	1.00[illegible]
Low	1.00[illegible]	1.00½	1.00[illegible]	1.00[illegible]	1.00⅝	1.00⅝
U. K. pound	4.90	4.90½	4.90½	4.90⅝	4.91½	4.91¼
Australia	3.92¼	3.92½	3.92½	3.92⅝	3.93¼	3.93¼
Austria	.1871⅞	.1871⅞	.1871⅞	.1871⅞	.1869	.1871¼
Belgium	.1683½	.1684	.1684	.1684½	.1684½	.1684½
Brazil	.0625	.0627	.0630	.0640	.0630	.0630
Czechoslovakia	.0348¼	.0348½	.0348½	.0348⅝	.0348⅝	.0348½
Denmark	.2188¼	.2190½	.2190½	.2190¼	.2196½	.2194
France	.0446½	.0446	.0446	.0446	.0446½	.0446½
Germany	.4017½	.4017½	.4018	.4018	.4017½	.4017¾
Greece	.0090	.0090	.0090	.0090	.0090	.0090
Holland	.5471½	.5472½	.5473	.5472½	.5470	.5470⅞
Hungary	.1973¾	.1973¾	.1973¾	.1973¾	.1973⅞	.1973¼
India	.3704⅝	.3709¾	.3707⅝	.3707⅝	.....	.3715½
Italy	.0526	.0526	.0526	.0526	.0525⅝	.0525¾
Japan	.2855¼	.2860¼	.2860¼	.2861¼	.2859⅞	.2865⅜
Jugoslavia	.0233¾	.0233¾	.0233⅞	.0233⅞	.0233¾	.0233¾
New Zealand	3.95¼	3.95½	3.95½	3.95⅝	3.96¼	3.96¼
Norway	.2463	.2468	.2465½	.2465	.2473¼	.2469⅝
Poland	.1900	.1899	.1900	.1900	.1899	.....
South Africa	4.89	4.89½	4.89½	4.89⅝	4.90½	4.90¼
Sweden	.2527	.2530	.2530	.2529	.2535¼	.2535⅝
Switzerland	.2274½	.2277½	.2278½	.2279½	.2280½	.2280⅞
Hong Kong	.3045	.3048	.3045	.3048	.3049⅝	.3052¼

Staff Changes

The Royal Bank has announced the following changes in staff:

W. R. FILLMORE, formerly manager at Digby, N.S., to be manager at Dalhousie, N.B.

R. T. GAGNON, formerly manager at Montmagny, to be manager at Papineau Ave., Montreal.

V. D. OLLIVER to be manager at Warkworth, Ont.

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Bank Chat

New Faces

Detailed description of Canada's new coinage appears in the most recent issue of the Canada Gazette, and after denuding the proclamation of its official verbiage it would appear that we are in for somewhat more decorative currency. All coins, from one dollar to one cent bear the likeness of George VI on the obverse side, and the inscription will be unchanged except for substitution of the new king's name and abbreviating Dei Gratia to D. G.

The reverse side affords more scope. Many will be disappointed that the silver dollar is little changed. The familiar canoe, manned by an Indian and a voyageur, and what purports to be northern lights, is still with us. The design on the 50-cent pieces is officially described as "Between supporters the ensigns armorial of Canada, in a shield surmounted by the Royal Crown."

The quarter, which at present depicts a wreath of maple leaves and a crown, will carry a caribou head. The 10-cent piece will exchange its rather prosaic design, almost identical to that on the quarter, for a fishing schooner under sail, and the five-centers will carry the likeness of a beaver. The humble coppers will be substantially the same, with a two-leaved twig of maple.

English Money

Fashion has invaded almost every phase of human endeavor. As a result it is not altogether surprising to note in a dispatch from England that "mode" has extended even to payment of railway fares.

Railway ticket agents in Great Britain find, for example, that five- and ten-pound notes are the vogue on the businessmen's expresses to London. They have found, too, that the threepenny bit is the most popular coin in Wales, with Welsh agents handling hundreds of them each day. English offices may not see one in a month. Of the 7½ millions of threepenny bits minted annually, five millions go to Scotland, two millions to Wales and only half a million for English distribution.

Most popular with Englishmen are the sixpence and the shilling, although the half crown is rapidly increasing in favor. The sovereign, once the pride of the English coinage, has practically disappeared.

Hidden Gold

Heirs of a prominent New York manufacturer are being led a merry chase trying to trail down more than a million dollars left, indiscriminately to say the least, in an unknown number of banks and safety deposit boxes throughout the United States and Canada. What adds zest to the fortune hunt is that they were deposited under false names in banks whose location was only revealed to the worthy gentleman's son. The son was killed in an airplane accident, and with him went the key to his father's puzzle.

For years before he died, the wealthy manufacturer made frequent secret trips, depositing huge sums at whatever place he stopped. He is known to have made several deposits in Montreal, although just where is another question.

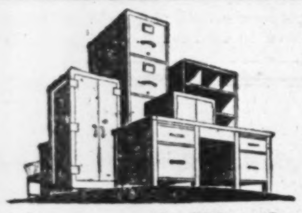
His heirs must now cope with a situation which was not altogether unfamiliar to the gentleman himself. On one occasion he is reported to have deposited $200,000 in a Canadian bank, and then to have gone on to a party. On his return, he had forgotten the name of the bank.

Weekly Bank Clearings

	Apr. 15 1937 $	Change Year Ago %	Apr. 8 1937 $
Halifax	2,201,469	+26.5	2,793,203
Saint John	1,707,208	+13.3	2,120,019
Moncton	678,183	+16.9	792,355
Sherbrooke	592,607	+16.6	727,442
Quebec	4,341,473	+ 7.0	5,914,380
Montreal	112,780,314	+50.5	128,905,864
Ottawa	16,245,548	+43.4	26,127,011
Kingston	477,389	+10.2	629,411
Peterborough	601,677	+ 8.5	697,431
Toronto	127,238,510	+38.8	165,010,248
Hamilton	5,350,529	+53.7	6,129,362
Kitchener	942,789	+ 9.5	1,235,019
Brantford	869,254	+28.3	6,087,051
London	2,830,545	+26.0	3,346,450
Chatham	574,283	+44.4	608,339
Windsor	2,805,054	+15.3	3,098,609
Sarnia	409,198	+13.8	512,126
Sudbury	1,003,346	+31.9	881,069
Fort William	750,419	+60.2	821,118
Winnipeg	35,331,672	— 3.9	41,274,388
Brandon	276,042	+10.6	325,817
Regina	3,774,128	+13.1	3,897,003
Moose Jaw	657,938	+29.3	771,531
Saskatoon	1,333,936	+29.9	1,516,522
Edmonton	4,218,083	+41.5	4,597,181
Medicine Hat	254,154	—20.6	241,096
N. W'minster	639,560	+20.2	677,439
Vancouver	18,336,752	+19.3	21,062,232
Victoria	1,724,089	+27.4	1,885,592
Calgary	5,500,304	+23.2	6,417,075

Sherridon Office Reopens

The Sherridon, Man., branch of the Canadian Bank of Commerce, which was closed in 1932, will be reopened for business on May 3, under the management of L. W. H. Pollock.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Week in Mining

One Channel Unexplored In Present Gold Debate

Higher Price Possible—Bralorne Has Enviable Report — Rubec Salting Fiasco — Quebec vs. Ontario

A significant and arresting article, bearing on the present circumstances surrounding the price of gold, is published in another column. The article tersely lays down an argument the conclusions of which are directly opposed to the conclusions now bearing down the market, and indicates that a higher price for Canadian gold is at least as logical a possibility as a lower price.

The all important keystone to any argumentative structure is of course Washington's policy. Indicattons that that policy is on something firmer than a 24-hour basis, and clarification of the labor situation in Canada are prime requisites if mining activity is to carry on from where it left off, so precipitately.

Fortunately, in many respects, the boom insofar as it was reflected in the market, can never carry on from where it left off. Most will admit that the gold share market had been asked to digest more than was good for its metabolism in the way of new offerings. If the current shake-out does nothing else, it will clarify this situation.

London Curb Exchange

Recently The Financial Post referred to efforts at promoting a London Curb Exchange Ltd., seats on which were being offered in New York and Canada. Later information indicates that the idea has been fairly well punctured by the revelation that one Martin Coles Harman, spectacular British financier, was connected with the promotion.

Mr. Harman it was who bought an uncharted island in the Bristol Channel for £16,000 and set himself up as king, until he fell foul of the coinage act in 1931, as a result of coining his own money, and substituting for the head of King George V a puffin, small, and seemingly stupid member of the auk family of birds.

As a result of this revelation, Edward John Harrison, alleged foreign representative of the London Curb, and others have been summoned to appear in a New York court for examination, and the scheme has been halted.

Bralorne Report

By showing earnings last year equivalent to 60 cents per share, Bralorne Mines has demonstrated that it should be able to comfortably earn the new quarterly dividend rate of 20 cents per share, provided that the higher grade recovery shown in the latter part of last year continues. Whereas at the first of last year, recovery was running around 0.33 ounces per ton milled, by December, average recovery was 0.43, and in February and March of this year, 0.44 ounces per ton.

The report shows a most satisfactory condition at this Bridge River, B.C. property, with higher tonnage and grade in reserves, working capital comfortably increased, and the only capital expenditure in sight the sinking of the new Crown shaft to explore the mine at greater depth.

If this greater depth development proves as satisfactory as the upper levels, it should go far to dissipate the old superstition that B.C. mines do not go to depth.

St. Anthony's Report

If a proposal of directors is approved by shareholders, St. Anthony Gold Mines will have an authorized capitalization of 5 million shares, $1 par, of which 4.3 millions will be issued.

That a capital reorganization of the company was inevitable was pointed out in this column last September.

Latest annual report of the company shows that the loss for the year was kept at about $50,000 by writing off development expenses at 50 cents per ton milled, and allowing only 5% of all fixed assets, except mining claims, for depreciation. In addition, cost of the new shaft has again been capitalized, and not deducted from current earnings.

The company does not include any ore reserve estimate from development work done. Last September, it was estimated that, including ore in place and broken in the stopes, there were 56,509 tons of ore above the 675-foot level. This would be sufficient to operate the mine for less than a year, on a 200-ton per day basis. In addition, the recovery per ton has dropped in the past year. On this picture a capitalization of $5 millions is asked.

Apparently the recommendation of Lawrence B. Wright, who examined the property last year, that all milling should be stopped until two years ore reserves have been developed, has not been complied with. No mention of Mr. Wright's report is contained in St. Anthony's annual statement.

Battle of the Giants

Behind the fight between Canadian National and Canadian Pacific Railways for access to Quebec gold areas, mining men see a bigger story still, involving a war between Montreal and Toronto interests for dominance of this field.

As is generally known, Toronto has become the recognized mining centre for Canada, largely the result of rail facilities to the North. These facilities even include access to the northwestern Quebec goldfields, via the C.N.R., Temiskaming and Northern Ontario and Nipissing Central railways into Rouyn. With the speedy development of this field, this access has been a definite asset, both to Toronto and to the C.N.R.

Last year, the C.N.R. started work on an extension from Rouyn to Senneterre, on the transcontinental, via the rich Cadillac, Malartic, and Bourlamaque field. The C.P.R. now propose to duplicate this line through a subsidiary, the Temiscamingue & Abitibi Railway, as well as building a line from Mont Laurier to Rouyn. The confused state of affairs resulting is shown in the map on page 21.

Whatever the respective rights of the two railways to this field, it should be obvious that such duplication, in view of past experience, can only react to the disadvantage of the general public.

The C.N.R.'s line will be completed and ready for operation by October, after an expenditure of some $5 millions public money. If, in doing so, it has been motivated by a desire to aid Montreal in obtaining revenue from this mining field, it must appear a narrow view, and one which completely ignores all the costly lessons of past railroad duplication in this country.

Mining Rights

Another action of the Quebec Legislature is being construed as part of the general struggle between the two provinces. This is Bill No. 5, which passed the Legislative Assembly on March 23 last, and which prohibits any but a Quebec incorporated company from acquiring mining rights in the Province. In other words, no company with an Ontario or charter other than Quebec, can stake or buy mining claims in that Province.

There is no reciprocal law in any of the other provinces, and the passage of this legislation by Quebec is not exactly proffering the open hand to outside capital.

Rubec Report

The report of the Quebec Securities Registrar on the Rubec episode at last released, states that a "particular person" is guilty, but does not name him.

If that person remains at large, it will forever be a black eye for Canadian mining. Despite the fact that, as pointed out by Willie Amyot, registrar, the Criminal Code and provincial laws do not declare "salting" an offence, there are fraud laws which would undoubtedly apply to this case.

The Rubec debacle occurred last fall. Colin Campbell made his report to the Ontario Securities Commission, stating the core was salted, last December. Five months have gone by, and if the guilty party is not sunning himself in Bala Bala by this time it is his own fault.

Central Cadillac Gold Reports Share Position

Central Cadillac Gold reports that hole No. 2, 800 feet east of the present objective of the crosscut on the 100-ft. level, gave $16.80 over 7 feet and $5.11 over 1 ft. 9 in. Crosscut to the south has encountered mineralization and east-west drifting has started on one section which gave commercial values over good width about 40 feet. from the station.

Capitalization is 3,000,000 shares. 1,000,000 shares were issued to Cadillac Exploration Ltd. as vendors. 842,000 shares set aside in trust for financing have been sold for cash, and the trust company now holds in trust for Central Cadillac's financial requirements 1,157,993 shares.

Red Crest to Sink To 1,000-ft. Level

Results of underground work at the property of Red Crest Gold Mines, in the Red Lake area of Ontario have been such as to justify carrying operations from the 300- to the. 1,000-ft. horizons, Leonard E Schlemn, president, states in the annual report of the company covering operations for the fiscal year ended Dec. 31, 1936.

Red Crest, which is being financed by Kirkland-Hudson Bay Gold Mines, in its balance sheet as at Dec. 31, 1936, shows current assets of $77 against current liabilities of $8,076.

Total disbursements during the year amounted to $160,675, of which $105,736 was spent on plant, equipment and operations, bringing total cost of development and other expenses to $170,985.

OPTIONS

In accordance with listing regulations, the Toronto Stock Exchange has been advised regarding options and underwritings upon treasury shares of the following companies.

Gold Belt Mining—An additional 37,500 shares have been taken up at 20 cents per share under agreement Apr. 1, 1935, as amended Apr. 17, 1935, bringing total issued capital to 1,940,000 shares. Balance of option comprises 60,000 shares at 20 cents.

Highwood Sarcee—At a meeting of the board of directors Apr. 7, 41,360 shares were allotted and issued, of which 41,000 were sold for $27,485 and the remaining 360 issued to satisfy some small claims arising in connection with the trusteeship affecting Highwood Petroleum and Natural Gas Company, which was recently wound up.

Morris Kirkland — Final payment due Apr. 10 under agreement June 23, 1936, has not been made and option has been terminated for default.

Consolidated Chibougamau — An additional 25,000 shares have been taken up at $1 per share under agreement May 18, 1934, bringing total issued capital to 2,785,000 shares. Balance of option comprises 215,000 shares at $1 per share.

Lapa Cadillac—May 15 installment under agreement Nov. 30, comprising 50,000 shares at 40 cents per share has been anticipated, bringing total issued capital to 2,526,765 shares. Balance of option comprises 225,000 shares at 40 cents and 200,000 at 50 cents with next payment due June 15.

Moneta Porcupine — In connection with the 231,260 shares offered to shareholders for subscription at $1.25 per share, a total of 219,153 shares was taken up and the balance of 12,107 shares were paid for by the underwriters. This brings total issued capital to 2,543,860 shares.

Ontario Mining Survey Planned

Hon. Paul Leduc, Ontario's minister of mines, announces that this season geological investigations will be carried on by his department by some 16 parties, 10 in the northwest section of the province and six in the eastern. Following fields will be reconnoitred; Porcupine; Kirkland Lake east; Kirkland Lake west; Red Lake; Pickle Crow, Uchi Lake, and Rowan Lake; east of Long Lac; Twps. of Thornloe, Price, Adams, and Eldorado; Lake of the Woods, Sandy Lake, (N. W. Patricia); Mininiska Lake, (Albany River); Spirit Lake; Screiber area; Onaman Lake, (Sturgeon River area); Atikokan area; Sudbury, and Larder Lake.

See Dividend For Eldorado

Directors Dangle Hopes of 1937 Payment Before Shareholders

Dividends on the stock of Eldorado Gold Mines before the end of 1937 are a possibility, Gilbert LaBine, general manager of the company, told shareholders at the annual meeting of the company held recently.

To another question, Mr. LaBine stated that this year the company was producing more than two grammes of radium a month.

On the whole, the company had overcome most of the obstacles attendant on initial radium production from a remote part of the world, and could concentrate on building up cash reserves, and expanding operations, the general manager stated.

Following gold discoveries at Gordon Lake, which is about 200 miles south of the Eldorado operation at LaBine Point, the company acquired an option on a group of 30 claims in the area, on which interesting gold values have been obtained.

A crew has been sent to this point and is now engaged in preliminary work. At the Great Bear Lake properties, during the coming year, the No. 1 vein, the original discovery, will be developed. It is also planned to start mining operations at the company's Bonanza property at Dowedell Point this year.

A. H. Paradis, Gilbert LaBine, and Ray T. Birks were elected to the board, replacing William Walton, B. E. Kearns and A. J. Gillies.

Profit and Loss Account
Years Ended Dec. 31

	1936	1935
	$	$
Sales	414,866	422,027
Add: Misc. revenues..	25,005	2,448
Inventory ore mined & partially processed	544,424	172,075
Gross income	984,295	596,550
Less: Operating expen.	99,442	393,634
Cost of sales	63,432	......
Deprec.	67,917	39,492
Deplet.	34,420	......
Int. on loans	......	16,601
Taxes & reserve	75,000	8,250
Net profit	644,084	138,573
Add: Previous surplus	190,310	51,737
Less: Adj. refin. depr.	8,141	......
Adj. 1934, 1935 inc. tax	15,000	......
Balance forward	811,253	190,310
Earnings per share: Common	$0.177	$0.047
Shares outstanding	3,639,560	2,980,000

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG.—Work on a coal discovery made last fall by Jos. Furber is being commenced by Manitoba Coal Mines Syndicate, organized to develop the property. The coal lies in the northwestern section of the agricultural part of the province near Pine River and Sclater on the Canadian National Railway. The areas totalling more than 16,000 acres have been leased and T. H. Porter, formerly city engineer of Portage la Prairie has been engaged to undertake the preliminary work. The company plans sinking a number of four foot square shafts through the overburden, which runs from 5 to 20 feet in thickness. These shafts will be put down to penetrate the seam and give information as to its average thickness. At the same time a series of test holes will be drilled to delimit lengths and widths.

Samples of coal analyzed show a grade somewhat higher than the lignites of Saskatchewan and less than the Alberta bituminous coals.

W. J. Tisdale is president of the syndicate and C. G. Woodside is secretary-treasurer. The preliminary work has been completely financed by the syndicate which is comprised of Winnipeg men completely.

* * *

Flin Flon Proves Continuity

Continuity of vein matter below the 400-ft. level of the Flin Flon Gold Mine just south of the town of Flin Flon, has been proved by drilling from the fourth level. Drills have picked up the shear zone and valuable information has been obtained down to the 650-ft. level. Drilling is still proceeding as it is the intention of the management to explore the vein structure to at least 300 feet below the fourth level before deciding on the size and type of mill installation.

* * *

Gurney To Cut Costs

Increased tonnage and wide stopes in Gurney Gold Mine, as indicated by recent drilling, will tend to lower costs of operation, according to a message received by officials of the company in Winnipeg from C. B. Dawson, the company's engineer. No new discoveries have been made on the lowest level but structural conditions are considered promising.

* * *

Central Manitoba

Directors of Central Manitoba Mines recently decided to engage the services of John Reid to make an examination of the property and suggest future development. John Reid and John Drybrough, the latter a director and consulting engineer for the company, are both on the property.

Central's March recovery was lower than for several months, estimated at about $22,000. The drop in recovery was caused, it is understood, both by lower grade ore and also by reason of smaller tonnage handled during the month.

Gold Price of Over $35 an Ounce Believed Possible for Canada

Market Action Ignores Equally Logical Reverse Argument For Premium on Gold Within a Year — Inflationary Trends in Britain May Forecast Drop in Pound

There are many possibilities in the gold situation. There is one that is just as much a possibility—in fact, it may be a more positive one—as a reduction in the United States price.

That possibility is that within a year Canadian gold mines may be receiving in Canadian dollars a premium over the $35 price for gold.

Nothing is finally settled in this matter of the United States policy on buying gold. The gold share collapse is a collapse based upon a scare and that scare is based upon only one of many possibilities in the situation.

Here is this other possibility, just as worthy of attention.

Washington regards the British rearmament programme as inflationary. Washington anticipates that in due course the pound will be found selling at lower levels in exchange markets; that the international exchange stabilization funds will recognize the merit in the oft-repeated claim that the pound is over-valued and will help to stabilize it nearer to $4.35 or $4.50 than at the present price above par.

Canada and the Pound

When that happens what will Ottawa's attitude be? Will the financial and monetary authorities of Canada accept a position in which the Canadian dollar will be selling at a discount in terms of the American dollar and a premium in terms of the pound? Will we—as we did in 1932 and part of 1933—be willing to sell our bacon, wheat and other commodities in terms of a depreciated pound and pay our debts in terms of a premium dollar?

It is not likely that this will be Ottawa's attitude in 1937 and 1938 as it was in 1932 and 1933. Canada is likely to take those monetary precautions necessary to tie the Canadian dollar with the pound. That means that the Canadian dollar would sell at a discount in terms of the New York funds. It means further that every ounce of gold sold by Canadian mines in the United States will be worth the treasury's buying price plus a premium equivalent to the premium on the United States dollar.

All these things are possible; just as possible as a new gold policy at Washington. And if they come to pass Canada may be selling its gold at the highest price in its history.

Checking Gold Flow

At this point, the logician may think he observes a flaw in the reasoning. He will say that if the United States is unwilling to buy gold at $35 an ounce it will be much less willing to be a dumping ground for a gold flow that would be intensified by a premium on gold in the countries of production.

That objection contains one simple fallacy. It assumes that it is in consequence of the flow of gold to the United States that foreigners have been able to buy American securities and American commodities at discount prices and thus embarrass Washington with vast sums of uncontrollable "hot money." The order is, in actuality, reversed.

Speculative funds are moving into the United States. In consequence of this movement the gold flows there in natural course of events and has to be sterilized. A premium on the United States dollar would check that flow of investment and commodity-buying funds. Gold itself would move less freely and the movement might even be reversed in part. Gold itself would increase in value in terms of pounds, francs and other non-dollar currencies. Other countries would start building up gold reserves.

Mining Company Reports

Robb-Montbray

A net loss for the year of $25,849 is shown in the annual report of Robb-Montbray Mines for the year ended Dec. 31, 1936. As the company's properties in Montbray twp., Quebec, are no longer considered to be of potential mining value, these properties, which had formerly been carried on the balance sheet as an asset valued at $4 millions, have been written down to a nominal value of $1.

Loss for the year includes writing off shares held by Robb-Montbray in Missouri-McKee Gold Mining Co., where results have not indicated that further expenditure is justified.

Prospecting by the company in 1936 did not result in the discovery of anything warranting further expenditure, and no mining claims were staked.

Principal interest of the company at present is in its 290,067 share holding of Darkwater Mines, at Sturgeon Lake. Results here, to date, have been satisfactory.

Profit and Loss Account
Years Ended Dec. 31

	1936	1935
Expend. at co's. property:		
Montbray Twp.	1,359	10,004
Outside exploration	2,420	9,930
Camp exps. & supplies	......	7,925
Registrar & trans. fees	959	867
Admin., office salaries & H. O. expenses	3,935	7,499
Loss on sale of invest.	1,170	......
Invest. shs. McKee Gold Mining Co. w/o	17,291	......
	27,134	36,225
Less: Metal production	......	5,884
Interest earned	......	934
Profit on sale of investments	......	7,409
Equipment sold	1,285	1,680
Net loss for year	25,849	20,318
Add: Previous loss	34,404	14,086
Loss forward	60,253	34,404

Inspiration Mining

Inspiration Mining and Development Co. reports contract revenue in 1936 of $213,482 and a net profit, after all deductions including taxes of $38,140, equal to 3.8 cents a share.

In his report to the shareholders, M. A. Thomson, president, states that the company plans to extend its operations to include other mining districts and also has in mind the establishment of an exploration and development department with an office in Toronto.

Since the end of 1936, the company has sold one million shares, netting the treasury $1 million in cash.

	1936
	$
Contract revenue	213,482
Contract expenses:	
Labor	106,851
Diamonds	19,581
Supplies	21,154
Machine shop	1,034
Transport, etc.	5,049
Depreciation	7,076
Commissions	9,506
	170,283
Overhead exp., net	9,366
	179,649
Less supplies, chgd., etc.	15,495
Total net deduct.	164,153
Oper. profit	49,329
Sundry expenses	4,317
Balance	45,011
Capital profit	*1,628
Balance	46,640
Tax provision	8,500
Net profit	38,140

*On sale of investments.

Coniagas

Including realization on the sale of securities amounting to $423,982, earnings per share of Coniagas Mines for the year ended Dec. 31, 1936, amounted to 50 cents, annual report of the company shows. In the company's statement, realization on the sale of securities is not included, as below, and a net loss for the year of $40,111 is shown.

Arthur L. Bishop, president of the company, states that the realization on these securities was thought by the board to be desirable, inasmuch as a number of options held threatened to require substantial cash resources for expenditures in prospecting as well as work to be carried out on previous stakings. Thus a more liquid position in the company's financial status was obtained.

In the balance sheet as at Dec. 31, 1936, current assets exclusive of government bonds and other investments are shown at $350,049, against current liabilities of $118,965, which latter includes a dividend paid Jan. 11, 1937, totalling $95,787.

Coniagas' chief interest at present is 471,900 shares in Coniaurum; 454,011 shares in Argosy Gold Mines; 846,335 shares Sturgeon River Gold Mines; 471,726 shares Florence River (Quebec) Gold Mines.

In addition, the company has an option on a potentially important property in the Kenora district, where nickel-copper values have been obtained. This property is being drilled.

In the Lake Athabaska region, Saskatchewan, an option was taken on a group of claims adjoining the Box property of Consolidated Mining & Smelting Co. As a result of satisfactory surface and drill results, work is being continued.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Int. & divds.	45,603	36,998
Sale of securities	423,982	118,744
Misc. income	640	742
Sale of cap. assets	......	454
Total income	470,225	156,938
Less: Gen., admin., prosp. & develop.	86,354	76,486
Surplus for year	383,871	80,452
Add: Previous surplus	1,688,942	1,704,236
Minority interest	11	43
Less: Dividends	95,788	95,788
Balance forward	1,977,015	1,688,943
*Debit.		
Earns. per Share and Divd. Record:		
Earned	$0.50	$0.10
Paid	0.12½	0.12½
No. of Shs. Outstanding:		
At Dec. 31	766,300	766,300

Oil Selections Show Drop in Net Profit

Net profit of $18,377 before depreciation and depletion, is shown by Oil Selections Ltd. in an annual report covering operations in 1936 and 1935. In 1935, net profit on a similar basis was $20,427.

Working capital at the end of 1936 was $35,883, as compared with $25,211 at the end of 1935.

The company owns an interest in eight wells in the East Texas field, and also royalty interests in acreage in Gregg County and Victoria County, Texas. In conjunction with Acme Gas & Oil Co., Oil Selections has taken an interest in a well in the Oklahoma City field which has been abandoned due to mortgage foreclosure. An endeavor to recondition this well is now being made.

Consolidated Profit and Loss Account
Years Ended Dec. 31

	1936	1935
	$	$
Oil sales	29,679	30,671
Sundry revenue	812	314
	30,491	30,985
Less: Operating expen.	2,518	3,767
Admin. expenses	5,522	3,814
Taxes	4,074	2,977
Net profit*	18,377	20,427

*Before depreciation or depletion.

Mining Companies Newly Formed

Athlone Gold Mines—Que. incorp. Mar. 15, 1937. H. O. Montreal. Auth. cap. $3,000,000, 3,000,000 sh. $1 par.

Bourlamaque Central Mines — Que. incorp. Mar. 24, 1937. H. O. Montreal. Auth. cap. 20,000 shares, $1 par.

Centreline Mines—Que. incorp. Mar. 24, 1937. H. O. Montreal. Auth. cap. 20,000 shares, $1 par.

Claverny Gold Mines—Que. incorp. Mar. 11, 1937. H. O. Montreal. Auth. cap. 3,000,000 shares, $1 par.

Havelock Development Co.—Que. incorp. Mar. 15, 1937. H. O. 407 McGill St., Montreal. Auth. cap. $20,000, 20,000 shares $1 par.

High Camp Mines—Que. incorp. Mar. 8, 1937. H. O. Montreal. Auth. cap. 9,000 shares, $10 par.

Konger Mines Corp.—Que. incorp. Mar. 11, 1937. H. O. Montreal. Auth. cap. 3,000,000 shares, $1 par.

Ample Power Hydro Belief

Reports that a contract for reserve power is being negotiated between Maclaren-Quebec Power and the Hydro-Electric Power Commission of Ontario are without foundation, The Financial Post is informed.

Ontario Hydro officials have stated several times that the Commission now has power available from Gatineau, Ottawa Valley and Maclaren in excess of the demand that it can foresee. This viewpoint still prevails.

It is believed possible that the reports of a new reserve power contract are a belated result of conversations last year when the power situation was more lively.

Rubec Report Fails to Name Guilty Person

No Law Covering Salting, Says Quebec Securities Commissioner

CONFIRMS FRAUD

From Our Own Correspondent

QUEBEC.—Quebec's long-awaited report on the Rubec "salting" case has at last been made public, and while it confirms the claim made in Toronto some months ago by J. M. Godfrey, Ontario Securities Commissioner, it would seem as if nothing could be done about the matter, even if the suspected person is arrested, since, according to Willie Amyot, registrar of the Quebec Securities Act, "We do not find in the Criminal Code, nor in any provincial laws any disposition of law declaring that the falsification of the product of a mine (mine salting or sample salting) constituted an offence."

Mr. Amyot, in exonerating the Alexander Diamond Drilling Co., its officers and its employees in connection with the salting, expresses the opinion that all mining brokers in Toronto were aware of the rumors about Rubec, and had been cognizant of the rumors since Nov. 20, while they also knew that there was something erroneous between the facts and the reports which were issued as to Rubec, and he noted that it was not surprising to find that a great number of people believed it advisable to profit by the rumors, and go short on the stock.

As a result of the Rubec case, the Quebec registrar has suggested that the Attorney-General's Department should be in receipt of a report from a member of the engineering profession in Quebec before permitting the sale of mining stock in the province. The report finds that samples of ore coming from holes 1, 3, 4 and 6 of the Rubec mine had been falsified, and stated:

> "The evidence which we have gathered leads us to believe definitely as to the guilt of a particular person, who should be immediately brought before the courts, but we do not believe it our duty to name this person in our report, to which certain publicity may be given."

Royalite to Drill C.&E. Holdings

Corporation Issues Report on Recent Developments at Turner

Calgary & Edmonton Corp. reports that an agreement has now been completed with Royalite Oil Co. which calls for the drilling of a series of wells on the corporation's holdings in Turner Valley. The first well, Sterling Pacific No. 5, was spudded in early in March in section 33 and is now drilling at a depth of 1,900 ft. Location of other wells has not yet been decided upon.

Sterling Pacific No. 3 came into production Dec. 15, last, and continues to produce at the rate of about 100 barrels of crude oil per day. Sterling Pacific No. 4 drilled by Royalite as an offset to Turner Valley Royalties came into production March 21, 1937, at a depth of 7,184 ft. and is at present producing at the rate of 1,200 barrels of crude oil per day, testing 42.5 degrees baume.

Mercury Royalties is drilling at a depth of 2,560 ft. Prairie Royalties spudded in its No. 1 well on March 5 last, and is now drilling at a depth of 869 ft. In recent months, states the report, the corporation has received numerous applications for leases on its mineral rights on the west flank of the Turner Valley area, and since November, last, options to lease have been granted on about 9,000 acres. All options, if exercised, carry obligations to drill this spring and summer. Some 16 companies have already been formed to carry out the terms of their agreements with the corporation.

Gurney Gold Mine Reports Drill Hole Results

From Our Own Correspondent

MONTREAL.—Drill hole between the north drift on the 125-ft. level proves an average of 1.28 ounces, according to a report issued by C. B. Dawson, engineer of the Gurney Gold Mine, Cranberry Portage, Man.

In the upper reach, the report says, the company has a wide section next to the two lower levels. Increased tonnage possibilities in marked stopes will lower the mining costs. No new discoveries are reported on the lowest level, but structural conditions are reported promising.

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Ypres-Cadillac
No. 1 and No. 2 drill holes have been completed and No. 3 drill hole is down over 300 feet. This hole is expected to cut No. 3 mineralized zone at a depth of approximately 600 feet.
Dr. Way, geologist, reports valuable geological information received from No. 1 and No. 2 holes.
We recommend immediate purchase at present market prices. Complete information from the property available on request. Write or telephone.
Gold & Metals Exploration Co.
Suite 45, 171 Yonge St. ELgin 0237
TORONTO, ONT.

Thompson Cad. Plans More Stock

Will Increase Share Capital — Spend Money on Mill Expansion

From Our Own Correspondent

MONTREAL. — Shareholders of Thompson Cadillac Mining Corp. will meet next week for the purpose of considering an increase in the company's capital stock from $3 millions to $4 millions.

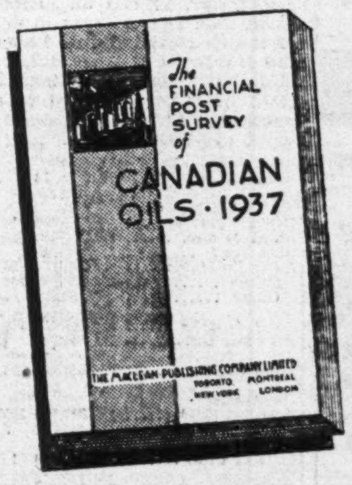
In a letter to the shareholders, W. H. Miner, president, states that all obligations have now been fulfilled in the acquisition of the property and the entire capital stock of the company issued. It is considered advisable, he says, to increase the authorized capital by one million shares with the end in view of issuing only 300,000 shares, which shares will be offered to the shareholders on the basis of one share for each ten shares now held by them.

"Since commencement of milling operations, the working capital position of your company has been maintained satisfactorily. However, it must be mentioned that approximately 50% of the production is in gold concentrates, and with the exception of the shipments of concentrates that have been and are now going forward, a considerable amount of the working capital of your company has been tied up in these concentrates. This situation will be materially ameliorated on completion of the branch railway line which is now under construction between Senneterre and Rouyn and will also effect a very material saving on concentrate shipping expenses."

In his report on operations, Andrew Walz, managing director, states that during February 2,402 tons of ore were milled from which a total of $10,851 was secured. Of this $4,403 was bullion shipped to the mint and the balance of $6,448 was gold in concentrates prepared for shipment. The average recovery for the month was 91% and the average grade of the mill feed was $5.39.

The capacity of the present plant is said to be insufficient to handle the ore now available for mining and development operations. The managing director recommends that funds be provided to increase the capacity of the plant to about 200 tons per day. This can be effected by replacements and additions in the coarse crushing department and an additional ball mill in the grinding section. The flotation equipment will also have to be increased and numerous minor accessories will have to be added.

OILS!
The 1937 edition of The Financial Post SURVEY OF CANADIAN OILS analyzes the position of all active oil and natural gas enterprises. Every oil field in the Dominion is covered. Order your copy NOW!


The FINANCIAL POST SURVEY of
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THE MACLEAN PUBLISHING COMPANY LIMITED
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Can Smelters Cash In?

Sums Spent on Outside Exploration Appear on the Verge of Bearing Some Fruit — Physical Position Nearing 1929 Mark

Operations in 1936 of Consolidated Mining & Smelting Co., world's largest producer of lead and zinc, came within striking distance of the peak year of 1929, in which base metal prices were considerably higher than the average in 1936.

With metals currently selling at prices close to the 1929 mark, an assumption that 1937 operations will come still closer to the 1929 peak seems logical.

Annual reports of this company are one of the most voluminous issued by any Canadian mining company, reflecting the company's ramified operations across Canada. In the recently issued report, covering operations for the fiscal year ended Dec. 31, 1936, the fact that gross operating income showed an increase of 17%, and the fact that earnings were up about 61%, was hardly news, inasmuch as a substantial increase had been fairly widely forecast as a result of improved metal markets.

More and more the real news in Smelters reports is to be found in connection with its outside properties, although, of course, shareholders must still look to the Sullivan mine and Tadanac operation for the bulk of their dividends. That they will do so for many years to come is evidenced by the fact that at the huge Sullivan mine, fully developed ore reserves were well maintained, and development below the 3,900-ft. level resulted in a substantial increase in estimates of indicated ore, with higher zinc and lower silver values than the average in the upper workings. Nevertheless, Smelters is approaching an era when returns from vast outlays on subsidiary operations may be looked for.

The main facts of Smelters' physical position are graphically shown in the accompanying thumb-nail chart. This shows working capital position, taking bonds at cost, of $12,299,194, as compared with $12,016,874 at the end of 1935; earnings per share of $2.13, against an equivalent of $1.32 in 1935, and gross sales, exclusive of products on hand and in transit, of $28,433,092, against gross sales of $22,946,349 in 1935.

Working capital, based on current liabilities and assets, does not include investment in and advances to other and subsidiary companies, which are given a book value only.

Chibougamau Operations

While by no means the most promising of its outside properties, the operation of Smelters at Chibougamau is one of the most newsworthy from a market point of view, due to the fact that speculation in the shares of Consolidated Chibougamau Goldfields, owners of the property, is always keen.

At the end of the year, Consolidated Smelters owned 1,125,000 shares of Consolidated Chibougamau's three million authorized capitalization. By Apr. 16 it had taken up another 100,000 shares, giving Smelters a total stake in the Chibougamau venture of 1,225,000 shares. Of these 385,000 shares had been taken up at $1, and the remainder, 765,000 shares at 50 cents. Thus Smelters has spent a total of $767,500 in acquiring Consolidated Chibougamau shares. At Apr. 16 last, there remained outstanding under this option 215,000 shares of Consolidated Chibougamau at $1 per share, to be taken up before the end of this year.

In dealing with this property, Smelters report maintains the more or less lukewarm attitude toward results adopted from the first. Net results from the work done to date, the report states, were disappointing, in so far as tonnages of ore are concerned, actual developed ore at the end of the year being calculated at 55,625 tons, assaying .27 oz. gold, and 1.25% copper. With copper at 16 cents a pound, and gold at $35 per ounce, this would be equivalent to about $4 per ton copper, and $9.45 in gold, or a total value per ton of approximately $13.45.

This tonnage is made up from a number of small ore shoots, which generally lacked continuity between the 250- and 500-ft. levels. In addition to the above, ore from development on the dump is estimated at 3,826.4 tons, assaying .15 oz. gold and 1% copper. Diamond drilling in the vicinity of these ore bodies, and in the area which preliminary diamond drilling indicated as promising, was also disappointing.

This is not a particularly bright picture for shareholders of Chibougamau. However, the report continues, a more favorable outlook for the future was disclosed in diamond drill holes to the south from the workings on the 500-ft. level, where commercial ore was indicated over substantial widths. Drilling has also disclosed what appear to be the same zones, with lower values and narrower widths 250 ft. below this level. The report states that these new ore bodies are "apparently commercial."

While, on the whole, results at Chibougamau may be regarded as more encouraging than previous Smelters reports indicated, a great deal more work remains to be done, and more commercial ore proven, before this enterprise may be considered an important potential contributor to Smelters income.

Merrill Island

Regarding the **Merrill Island** property of Blake development, the significant fact is that the report confirms rumors to the effect that negotiations have been resumed aimed at renewal of work by Smelters on this Chibougamau property.

May Reopen Mine

As a result of higher copper prices, market interest in the stock of **Coast Copper Co.** has been revived in recent months. Smelters owns 122,500 shares of the authorized 200,000 shares, $722,000 of a bond issue of $750,000. At the end of the year open advances amounted to $1,132,598.

Smelters reports that consideration is now being given to reopening this property and equipping it for production. With copper and gold at present prices, the property is sufficiently developed to warrant construction of a concentrating mill.

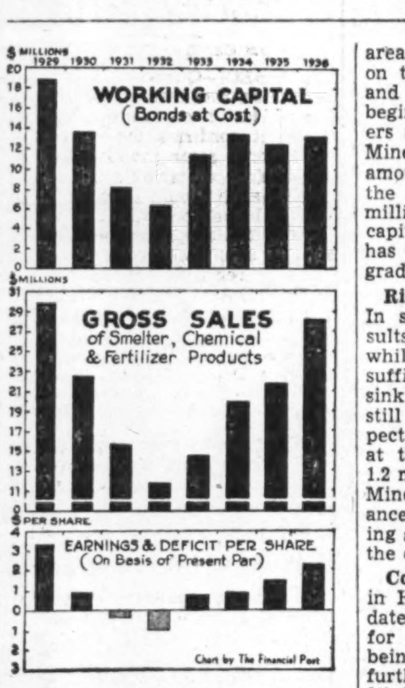
No estimate of ore reserves at this property has been made public by the parent company, although it is definitely stated now that development is sufficient to warrant mill construction. No work has been done on the property since 1931. Smelters 1930 report stated that results on the whole, especially on the lower levels, had been disappointing, and no large ore shoots of commercial ore had been opened up, although several low grade copper lenses had been uncovered. Drilling from the lower levels in 1931 showed some rather definite mineralization but nothing commercial over minable widths. The word commercial must be used, of course, with regard to copper prices, which at that time, were approaching the depression low.

Big Missouri

Another Smelters-managed property in which there is considerable market interest is the **Big Missouri** mine, near Stewart, B.C., owned by Buena Vista Mining Co. Smelters owns 60%, or 300,000 shares of the issued capital of Buena Vista, Big Missouri Mining Co. owning the remainder.

FOUNTAIN OF FUNDS

Much of the vast amount spent annually in Canada by Consolidated Mining & Smelting Co., in its widespread exploration for new properties, originates from the metallurgical operations of the company at Tadanac, adjoining Trail. B.C. Here, Smelters operates a customs concentrator, smelter, and refinery for treating its own ore, and that of other producers. From this operation, which is the keystone of Smelters' structure, the company has built itself up to be one of the principal mining and metallurgical operations in Canada. A recent view of part of the Tadanac operations is shown above. (Photo by courtesy, Industrial Canada).



At this property a concentrating mill of from 500 to 750 tons daily capacity is being constructed. The news in this regard is the official confirmation in the report of the fact that commercial production is expected to start during the coming summer.

A third property under development by Smelters apparently nearing production is the **Box property,** at Lake Athabaska, in Saskatchewan. For Smelters, the report is quite optimistic as regards this development, and it is stated that work on the whole has confirmed results obtained from preliminary diamond drilling, and has indicated "sufficient ore for a profitable operation for a 500-ton mill for a number of years, and a much larger tonnage that would justify a large scale operation" if costs can be kept down. At the present time, development is being continued, pending consideration of both suggestions. Smelters owns a 98% interest in this property with favorable options on the remaining 2%.

Outside Properties

Smelters other outside developments embrace work on various properties in British Columbia, Northwest Territories, Saskatchewan, Ontario, Quebec and Nova Scotia. Highlights of these developments are given below.

Afton (New Golden Rose Mines)—At this property in the Temagami area of Ontario construction work on the mill is nearing completion, and commercial production should begin early in the summer. Smelters advances to New Golden Rose Mines, which owns the property, amounted to $652,345 at the end of the year, and Smelters owns two million of the three million shares capitalization. Underground work has suggested a slightly higher grade than former estimates.

Rich Rock (Addington Mines)—In southeastern Ontario, gave results from the 300-ft. level which, while slightly disappointing, gave sufficient encouragement to justify sinking to 500 ft. This property is still considered a promising prospect. Addington Mines is capitalized at three million shares, of which 1.2 million were given to Rich Rock Mines for properties, and the balance optioned by Smelters, involving an expenditure of $300,000 when the options are completed.

Cordova Mine—This property is in Hastings County, Ont. Work to date has not improved the outlook for the property, although it is being continued in the form of further development of the 6th and 9th levels, and drilling at depth.

McKenzie-Laronde (Garrcon Mines)—Commercial values were indicated in several sections of this Garrison Twp., Ont. property, but measurable tonnages were negligible. Deeper development may be justified when assays from the present diamond drill campaign are available. Outlook is considered doubtful, although prospects have improved since the last report.

Nova Scotia Gold Mines—Smelters is developing the Caribou property of this company, and reports that some profit is indicated, although the veins are disappointingly small.

Ritchie Gold Mines — Smelters took an option on the properties of this company in 1936. In accordance with the agreement, a new company, **Ritoria Gold Mines,** has just been formed to continue the work. While the outlook is not considered promising, additional work is justified, according to Smelters engineers.

Smelters has many other properties under examination, but in the main results have not been sufficient to bear any weight in evaluating the equity behind Smelters stock.

It will be seen that Smelters is this year, more than ever before, in a position to start cashing in, initially in a small way, on the huge sums it has expended in exploration of outside properties, in addition to added revenues from the fertilizer sulphur, and other by-products.

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Mining Company Charters

Ansel Lake Mines—Ont. incorp. Mar. 4, 1937. H.O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Athona Mines (1937)—Ont. incorp. Mar. 3, 1937. H.O., Toronto. Auth. cap. 5,000,000 shares, $1 par.

Canty Gold Mines (Hedley)—B.C. Incorp. Feb. 17, 1937. H.O., Standard Bank Bldg., 510 Hastings St. W., Vancouver. Auth. cap. 3,000,000 shares, $1 par.

Collart Red Lake Mines — Ont. incorp. Mar. 13, 1937. H.O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Connaught Lake Mines—Ont. incorp. Mar. 15, 1937. H.O., Toronto. Auth. cap. 3,000,000 shares $1 par.

Esmeralda Gold Mines—Ont. incorp. Mar. 11, 1937. H.O., Toronto. Auth. cap. 200,000 shares $1 par.

Hialeah Gold and Metals—Ont. incorp. Mar. 12, 1937. H.O., Fort William, Ont. Auth. cap. 1,000,000 shares $1 par.

Kanasuta Gold Mines — Ont. incorp. Mar. 1, 1937. H.O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Korola Larder Mines — Ont incorp. Mar. 1, 1937. H.O., Kirkland Lake, Ont. Auth. cap. 3,500,000 shares, $1 par.

Laidlaw Malartic Gold Mines—Ont. incorp. Mar. 6, 1937. H.O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Lindy Long Lac Gold Mines—Ont. incorp. Mar. 9, 1937. H.O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Maestro Silver Lead Mines—Registered in B.C. Mar. 22, 1937. H.O., without the province, 100 Adelaide St. W., Toronto, Ont. H.O., in province, Ainsworth, B.C.

Milton Gold Mines—Ont. incorp. Mar. 15, 1937. H.O., Toronto. Auth. cap. 300,000 shares, n.p.v.

Northfield Mining Corp.—Ont. incorp. Mar. 10, 1937. H.O., Toronto. Auth. cap. 500,000 shares, n.p.v.

New Rand-Ore Mines—Ont. incorp. Mar. 2, 1937. H.O., Toronto. Auth. cap. 3,500,000 shares, $1 par.

New Ribago Mines—Ont. incorp. Feb. 25, 1937. H.O., Toronto. Auth. cap. 4,000,000 shares, $1 par.

Pennaque Mining Corp.—Ont. incorp. Mar. 5, 1937. H.O., Toronto. Auth. cap. 3,000,000 shares, n.p.v.

Skynner Lake Gold Mines—Ont. incorp. Mar. 4, 1937. H.O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Vin Dur Porcupine Gold Mines—Ont. incorp. Mar. 11, 1937. H.O., Timmins, Ont. Auth. cap. 3,000,000 shares, $1 par.

Wall-Malartic Mines—Ont. incorp. Mar. 8, 1937. H.O., North Bay, Ont. Auth. cap. 3,000,000 shares, $1 par.

Wilberforce Minerals—Ont incorp. Mar. 2, 1937. H.O., Toronto. Auth. cap. 1,000,000 shares, $1 par.

Wisewill Gold Mines—Ont. incorp. Mar. 15, 1937. H.O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Surrender of Charter

Lake Maron Gold Mines—Will apply to the Secretary of State for acceptance of the surrender of its charter, as of Feb. 24, 1937.

Paint Lake Gold Mines—Has surrendered its charter as of March 17, 1937, and by order of the Provincial Secretary will be dissolved as and from April 12, 1937.

Change of Name

Bourlamaque Gold Mines — By supplementary letters patent issued Feb. 27, 1937, has changed its name to Senneville Goldfields, Ltd.

Bridge River Motherlode—Has applied for change of its name to Winslow Cons. Ltd. as of Apr. 11, 1937.

British Columbia Mining Explorations—Has changed its name as of Mar. 4, 1937, to Couldroy Creek Oils, Ltd.

Prospectors Gold Syndicate—Has changed its name from Coronation Gold Mines under supplementary letters patent issued Mar. 3, 1937.

Central Man. Short of Ore

Examine Justification for Closing Down Gallant Property

From Our Own Correspondent

WINNIPEG.—The first quarterly report for Central Manitoba Mines Ltd. for the current year is far from encouraging. No new ore has been encountered, despite a $47,000 exploration programme. There is very little ore ahead of the mill. John A. Reid has been making an examination of the property and his report will be issued within the next two weeks.

Bullion recovery for the first three months of 1937 was 2,350 ounces of gold from 8,910 tons of ore averaging .26 ounces per ton. Total recovery was $85,501. Loss prior to write-offs was $25,099 compared with a corresponding profit for the previous three months of $13,457. Working costs for the current three months included $47,151 for development compared with $47,804 for the previous quarter.

The seriousness of the situation may be gathered from the announcement made over the signature of William Hurst, president, that the board of directors has retained John A. Reid, geologist, to "examine the mine and review the opinion of the company's technical advisers that the property should be shut down failing success in the 875-foot level east drift."

Drift From Old Shaft

This drift, it may be said, is from the old Kitchener shaft. Approximately 600 feet remains to be drifted to thoroughly explore the favorable territory, but nothing has been indicated so far of a favorable nature.

Best Year Yet For Bralorne Report Shows

Earnings of 60 Cents Per Share, Higher Ore Reserves Are Highlights

WORKING CAPITAL UP

Reflecting the best year in the history of the mine to date, Bralorne Mines, Bridge River producer, shows net earnings of 60 cents per share in its annual report for the year ended Dec. 31, 1936.

In addition, developed and probable ore is estimated by Ira B. Joralemon, consulting engineer, at 505,000 tons, averaging 0.45 per ton, an increase of 99,000 tons of ore and 78,000 ounces of gold over the previous year's estimate.

Mr. Joralemon states that indications are promising both for production and for ore development in 1937.

After allowing for the Jan., 1937, dividend, current assets exceeded current liabilities by $934,242, as compared with working capital of $834,090 at the end of 1935.

Just before the end of the year, a new vein, called "59" was discovered on the eighth level, east of the Empire fault. This vein, Mr. Joralemon states, is becoming increasingly more important. Since the first of the year, still another new vein has been developed, with excellent ore on the sixth, eighth and tenth levels.

While, the consulting engineer states, the reserves and geological indications make certain several years life above the present bottom levels, the new Crown shaft is being started in the Blackbird area to develop the veins of the Empire mine to greater depth.

During the past year, 167,264 tons of 0.411 ounce ore were treated.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Rev. from bullion & concentrates	2,231,420	1,616,158
Less: Prod. costs	862,520	554,089
Shipping & delivery	68,919	63,333
	1,299,982	998,736
Add: Misc. income ..	5,597	31,129
Gross profit	1,305,579	1,029,865
Less: Admin., office & gen. exp.	30,306	29,853
Loss, Community Welfare	3,765	......
Depreciation	290,000	130,000
Depletion		220,000
Income taxes	230,000	150,000
Net profit	751,508	500,012
Less appropriations: Dividends	748,200	150,000
Surplus for year	3,308	350,012
Add: Prev. surplus ..	708,320	382,373
Less: Pr. yr. inc. tax adj.	......	24,065
	811,628	708,320
Earns. per Sh. & Divd. Record:		
Earned	$0.60	$0.40
Paid	0.45	0.15

News Concentrates

Arntfield Gold Mines — reports production for the first three months of the year at approximately $51,000.

• • •

Centennial Mine — Michipicoten property of L. B. United Mines, has poured a gold brick valued at about $2,500. According to Dr. T. L. Gledhill, consulting geologist, this brick came mainly from development rock and ore from one of the new stopes. He adds that this material was largely unsorted and does not represent clean ore.

• • •

Cockeram Red Lake—Capitalized at 2 million shares, of which 1,372,476 issued as at Nov., 1936, is preparing to start a diamond drilling programme on its 17-claim Red Lake property shortly. A magnetometer survey has indicated a zone on the southwest claims which is in line with the general strike of the Madsen-Rouge D'Or break, and it is planned to explore this zone by drilling as soon as a drill is available. Surface exploration is also proposed.

• • •

Doreva Gold Mines—Is advised by Lewis A. Dunham, consultant, that assays from samples obtained from this Bousquet twp. property have returned values ranging from $2.10 to $33.25, these results embracing random, channel and picked samples.

• • •

Golden Shower Mines—Has been formed to take over the Gold Shower group at Morton Lake, Man., formerly owned by Bailor Gold. Bailor will receive 700,000 vendors' shares and a cash or stock consideration as yet undetermined for funds which it has spent on the property.

• • •

Kirkland Consolidated Mines — having sold its four claims in McVittie twp., Larder Lake area, to Kir-Vit Mines for $20,000 and a 20% interest, and as a result of property payments received from Kir-Vit, is now sufficiently financed to consider a diamond drilling campaign on its holdings in Gauthier twp. These claims adjoin Bidgood's property.

• • •

Lancour Mines—Adjoining Pamour in the Porcupine district of Ontario is confining its current diamond drilling, supervised by Mining Research Corp., to a section of the property near the Pamour-Lancour line, where it is believed important information pertaining to the ore bearing structure of this section will be obtained.

• • •

Porcupine Lake Gold Mining—Plans shaft sinking to deeper levels immediately, materials for this having been delivered to the property northeast of and adjoining Dome Mines in Porcupine area of Ontario. Except for one drill, diamond drilling and development on the 280-ft. level will be suspended while sinking is in progress. The company's registration statement filed with SEC at Washington was declared effective as of Feb. 8 of this year.

• • •

Rajah Red Lake — Plans to move drills onto the property in Red Lake area shortly to investigate at depth the most northerly of three surface showings, it is reported. Work is continuing on the north of the 3-vein structure and officials say channel sampling continues to show good results. Two samples taken over 5 ft., showed $9.10 and $25.90. Former samples ranged from $4.70 to $51.45 over 5 ft.

• • •

Ronda Gold Mines—In Shining Tree area, expects shaft sinking to get under way shortly. It is estimated that a winze to a depth of 250 ft. below the 300-ft. level, with lateral work on the proposed two new levels, will cost $35,000. Its object is to investigate the drill intersections at a depth of 115 ft. below the 300-ft. level during last fall's drilling. From the three holes which cut the vein, core intersections of 13 ft., 10 ft. and 23 ft. were had. Proposed work has been recommended by M. C. H. Little, consultant.

• • •

Siscoe Gold Mines—March production totalled $205,826. This compares with the company's record output of $226,617 in February this year and $200,155 in March, 1936. Tonnage handled last month totalled 10,581 tons, which compares with 15,671 tons in February and 14,359 tons in March, 1936. Mill heads in March averaged $20.11 against $14.80 in the previous month and $14.25 in March a year ago.

• • •

Tecumseh Gold Mines—Will concentrate on development of the Davis twp. ground in Sudbury district, and suspend operations on the Detola property, adjoining Elora and Big Master Gold Mines at Gold Rock in Kenora district. Dr. J. F. Wright, in a report on Detola, recommends suspension of work there. As the claims are favorably located in relation to adjoining properties, it is expected that they will not be altogether abandoned. Negotiations are already in progress under which vendors of the Kenora group will cancel any further cash payments under the terms of the purchase agreements if arrangements are completed.

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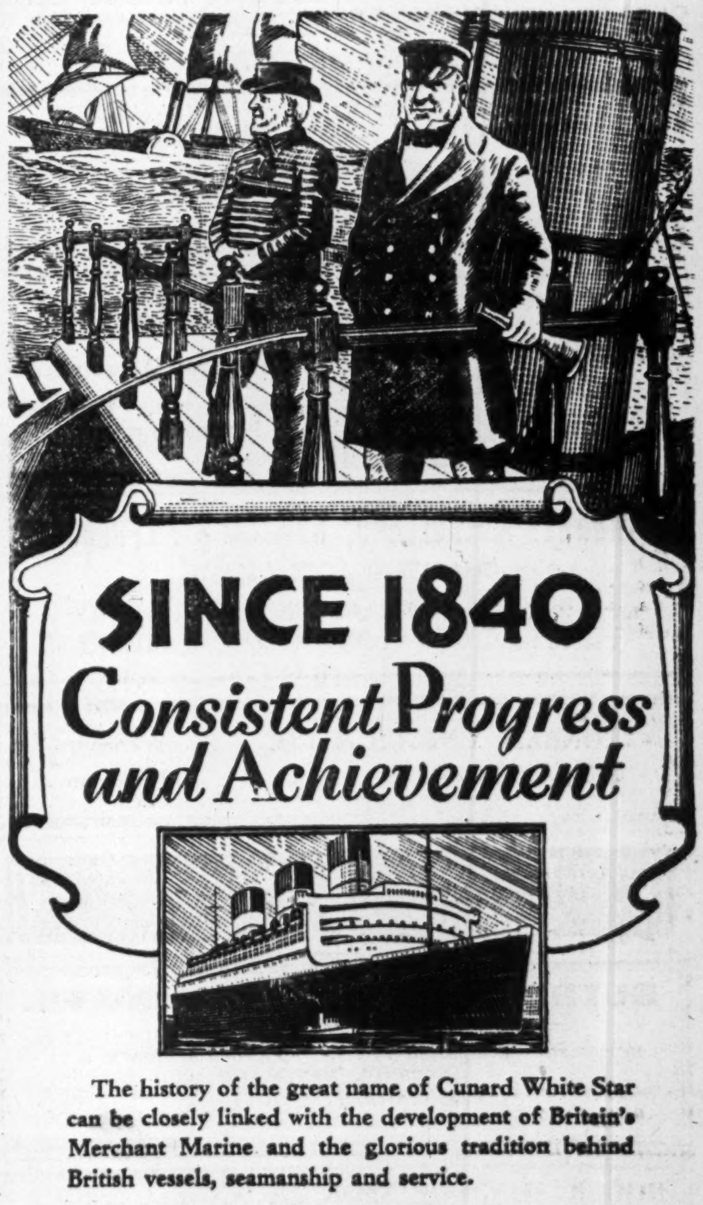

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Base Metals

What is the "Base Metals" quoted on the Toronto Stock Exchange? Is it producing and if so, at what rate?

The Base Metals listed on the Toronto Stock Exchange is Base Metals Mining Corp. Ltd. in which Mining Corp. of Canada, Ltd., has a substantial interest. The company owns a lead-silver-zinc mine and concentrator near Field, B.C. Lack of available ore forced the suspension of milling operations on Dec. 14, 1935. Exploration has been under way since 1935 in an effort to discover further ore bodies of importance. Development work which was temporarily suspended on Dec. 7, 1936, will be resumed in the spring of 1937 in an attempt to prove the extension of a new ore body uncovered for 150 ft. in 1936 in the old workings. Rated capacity of the plant is 300 tons daily.

Canadian Malartic

I see in a recent issue of The Financial Post a report on Canadian Malartic. Some 400,000 treasury shares are still under option to Ventures Ltd. at $1 per share. These options must be exercised by Aug. 1, 1937. The shares are now standing around $2 per share. After these shares have been taken up you state that the directors will give consideration to paying a dividend. Will selling these shares at $1 not be similar to watering the stock and what is the likely effect on the market price?

We fail to see your point that optioning of 400,000 treasury shares in Canadian Malartic to Ventures Ltd. is similar to watering the stock. These option agreements have been in effect since 1934, and at a time when the stock was selling much lower than $1 per share.

We do not feel that the taking up of these options will affect the market price. The public has known for a long time that this stock was under option and was being steadily taken up by Ventures. Therefore the market has had ample opportunity to discount any feeling that by issuing this further stock the company was diluting the equity of present shareholders. In addition, the fact that Ventures kept taking up their options indicated a degree of faith in this property which has been beneficial to the market price.

Red Crest Gold

I have been advised by my broker to purchase stock in Red Crest Gold Mines, but await your report on this proposition as a speculation.

Stock of Red Crest Gold Mines was listed recently on the Toronto Stock Exchange and the Montreal Curb Market. As at March 9, 1937, a total of 2,280,000 shares had been issued of which 250,000 shares are held in trust for the company and 720,000 shares were in the treasury. 470,000 shares remain under option at 35 cents per share and 500,000 shares at 50 cents per share until Mar. 15, 1938, to the Kirkland-Hudson Bay Gold Mines Ltd. 1,110,000 shares were issued for property and 811,107 shares for a total amount of $182,147. 108,893 shares were issued for services and the repayment of a loan.

The company has done a considerable amount of development work on the property to the 275-ft. level. At the present time, 5,000 ft. of diamond drilling is being done on this level and it is planned to sink the shaft to 600 ft. As at Dec. 31, 1936, current liabilities were $8,076 compared with current asets of $77. Since that date, of course, payment has been received for 40,000 shares at 25 cents per share and 30,000 shares at 35 cents per share. Options are still being taken up so that the financial position appears to have been improved.

Porcupine Triumph

Would you please give me some information regarding Porcupine Triumph Gold Mines?

Porcupine Triumph Gold Mines is at present concentrating on sinking its shaft on the South Deloro Twp. property in Porcupine district of Ontario. The president stated that diamond drilling had indicated a vein-shearing length of 650 feet to a depth of 500 feet. The main vein was encountered at shallow depth in the shaft. Bulk samples assayed $22 per ton and 15 feet down, seven channel samples are reported to have given an average value of $14.40 per ton. This property is still in the early stages of development, and accordingly highly speculative. It is capitalized at 5,000,000 shares of which approximately 3,226,806 are issued, these including 2,681,000 escrowed.

Dawson White Gold

Have you any information concerning Dawson White Gold Mines? I would be glad of any news of this company.

Dawson-White is at present working to select a site for the proposed shaft on its Sturgeon Lake property. Three diamond drill holes have been completed with the fourth nearing completion. Colin A. Campbell, in charge, computes good widths of ore grading $40 by taking in additional sections of mineralized quartz. Hole No. 1 cut 4.7 ft. through widths of ore grading three ounces. Nine feet of mineralized quartz showing low values were cut by Hole No. 2. In No. 3 a deeper hole was apparently deflected and failed to reach the vein. Fifty feet north of No. 1 hole, No. 4 had cut eight feet of quartz and was still in this material at last reports. Drilling is continuing together with installation of the mining plant.

Capitalization is three million shares of which 1,350,005 are outstanding, 900,000 vendors' shares are pooled and 450,000 shares have been sold for cash.

Franklin Gold Mines

Will you please give us your opinion on Franklin Gold Mines which are now selling two thirds over the counter?

Drilling campaigns started in March, 1936, on the property of Franklin Gold Mines (1936) Ltd. by the predecessor company, Franklin Gold Mining Company gave disappointing results and work at the property was discontinued. The company was reorganized and proposes to resume development work in the spring. Franklin Gold Mines (1936) Ltd. has an authorized capitalization of $3.5 millions of which $700,000 were issued to vendors. Briefly, this speculation has not yet demonstrated that it has much prospect, in our opinion.

Manitoba & Eastern

Kindly advise me what you think of Manitoba and Eastern Mines.

Underground operations have been suspended on the Temagami property of Manitoba and Eastern Mines on recommendation of the company's engineer. A considerable amount of underground work and drilling has been done on this property and no ore of commercial grade in paying quantities has been indicated.

Some surface work will be done south of the main workings and if conditions warrant will be followed by diamond drilling. In the meantime the directors are giving some consideration to the acquisition of another property. At Mar. 31, 1936, the company showed working capital of $113,083, of which $65,150 was in cash. About 4,495,654 shares of the company's authorized five million share capitalization is outstanding.

Shawkey Gold

Please give me a brief report on Shawkey, with reference to finances, development and production.

Early in February of this year Shawkey Gold Mining Co. Ltd. obtained a loan of $150,000 to finance exploration and development. The loan will be repayable in installments beginning in about a year and extending to the end of January, 1939, bearing interest at 7%.

Its programme of development to be carried out with the funds obtained will include enlargement of the present two compartment shaft to three-compartment size, to 1,100-foot depth, installation of additional Diesel power and surface diamond drilling totalling 10,000 feet. It is hoped that the development programme to be undertaken will justify enlarging the mill capacity to 300 tons per day by October of this year. The cost of enlarging the mill would be around $22,000.

January of this year proved to be the best month for Shawkey since milling began. Bullion production totalled $47,000. Operating costs have been running around $30,000 per month.

Advance Red Lake

What is the latest information on Advance Red Lake? I hold some of this stock but have not seen it quoted recently.

Latest information on Advance Red Lake Mines is that the company is waiting until after the break-up to carry on further surface work on its property in the Red Lake area of Ontario. Officials of the company state that results of diamond drilling have not been as satisfactory as the company had hoped and this is probably the reason that you see no quotation for this stock on the board.

It is our understanding that further diamond drilling on this property is not contemplated at present, but the company has in mind more surface work and upon this will depend the decision whether or not additional diamond drilling will be undertaken.

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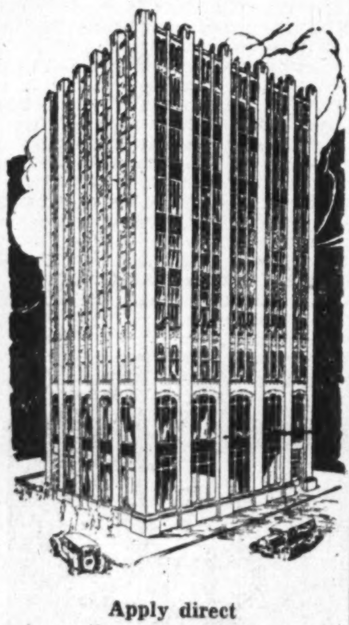

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Lake Rowan Meeting Hears Cheering News

Encouraging results were reported from the property of Lake Rowan Gold Mines, in the Red Lake district, at the annual meeting in Montreal recently.

Leonard E. Schlem, president, stated that the adit being driven into Discovery Hill is now in over 100 feet, and is expected to reach its objective of 900 feet by June. Cross-channel assays are being taken over five feet on progress across the width of the tunnel, and indicate commercial grade. Drilling is going on in other sections of the property. As at March 31, 1937, the company reports cash and marketable securities of about $200,000 with no liabilities other than small current ones.

The company has 1,975,407 shares of its three million shares authorized capitalization outstanding. Of this, 975,000 shares are pooled until Oct., 1938.

Capital Set-up Of St. Anthony Again Altered

Annual Report Shows Little Progress Toward Profits

A second increase in authorized capitalization is planned for St. Anthony Gold Mines, in the Thunder Bay district of Ontario, shareholders are told in the annual report covering the 12 months ended Dec. 31, 1936. In 1934, authorized capitalization was increased from three million to 3.3 million shares $1 par value. The latest proposal is to increase the authorized stock to five million shares, and offer one million to shareholders on the basis of one new for four old.

Operating about 72% of the possible running time the company during the year treated 28,043 tons of ore with a gross recovery of $160,394, or $5.71 per ton. This compares with a grade of $6.80 per ton in 1935. Net loss for the year was $49,991 before deducting cost of the new incline shaft, which the company has capitalized. In addition, development expenditures have been written off at only 50 cents a ton, and depreciation at only 5% as compared with the 15% permissible and customary.

No ore reserve estimate is contained in the report of the mine manager, who states that the supply of ore at present is located in the immediate vicinity of the 250-, 350- and 500-ft. levels.

During the current year, sinking of the main inclined shaft to the 1,000-ft. level will be continued, in conjunction with further drilling.

It is explained by officials that normal production during the first half of last year was retarded due to the sinking of a new incline shaft. Another abnormal condition was lack of power owing to the dry season.

In the balance sheet as at Dec. 31, 1936, current assets, including supplies and materials of $15,000, total $22,081, of which $7,010 is in the form of cash. Current liabilities total $134,042, leaving a deficit in working capital of $111,961. This compares with working capital of $18,639 at the end of 1935.

Income and surplus account follows:

Profit & Loss Account
Years Ended Dec. 31

	1936	1935
	$	$
Bullion produced	160,394	303,152
Sundry revenue	224	102
Total revenue	160,618	303,254
Less: Refin. & handling chgs.	2,589	4,565
Mining expenses ...	93,695	129,370
Milling expensees ..	53,779	65,660
Recov. of sand t'lings	......	7,422
Insurance	3,161	3,616
Head office exps. ...	17,648	15,484
Int. & bank chgs. ...	3,652	3,620
Depreciation	21,451	37,521
Def. rehabilitation ..	......	15,870
Devel. expend. w/o°	14,021	17,269
Taxes	613	815
Net profit for year ...	*49,991	2,042
Add: Prev. surplus ...	3,753	1,711
Balance forward	*46,238	3,753

*Loss or deficit. °Development expenses written off at rate of 50c. per ton of ore treated.

Oil Stocks

Capital Oil & Natural Gas

Please give me a report through your valuable paper on Capital Oil & Natural Gas. Is the company still alive?

Capital Oil and Natural Gas Co. Ltd., which was incorporated with a British Columbia charter in 1921, is, we believe, inactive at the present time although the company is still in existence. Head office is 228 Standard Bank Building, Vancouver. The company owns approximately 4,000 acres in the Milk River field of Alberta. Drilling was discontinued on number one well at 600 feet. Another well was drilled to 3,515 feet but work was abandoned. The company has an authorized capitalization of $2.5 millions in one cent par value stock of which $1,426,321 was outstanding at last reports. In Oct., 1936, the company reported no liabilities but holds a small amount of rental on leases which can be made up by a little work. R. H. Wright is secretary of this company.

Richland Oil

I would be glad to get some information regarding Richland Oil, which I have held for some time.

Richland Oil is completing Richland No. 3 well in a promising location on the west flank and at last reports was working around 5,000 feet. This well is being watched with intense interest at the time of writing as it encountered showings of oil last week and is expected to reach the lime objective before the end of this month. This company owns a 25% royalty in this well, which is located 440 yards east of Turney Valley Royalties. The company's No. 2 well in which Richland holds a 25% interest was at last reports preparing for casing at a depth of 3,000 feet. This well is located 660 feet south of B & B well. Richland No. 1 is starting midway between Turner Valley Royalties and B & B well. The company has an authorized capitalization of one million shares, no par value, of which 800,000 shares were outstanding as at Feb. 13, 1937.

New Issues Are Listed In Toronto

Reeves Macdonald, Normetal Mining Corp. Make Debut

Among the new listings on the Toronto Stock Exchange recently were the stock of Reeves Macdonald Mines and Normetal Mining Corp. Ltd. Additional stock of Morris Kirkland Gold Mines has also been listed.

Stock of Reeves Macdonald Mines Ltd. was listed on April 16. The company was incorporated with a Dominion charter in 1928 with an authorized capitalization of three million shares no par value. Of this amount 1.5 million shares were issued for the property in 1928; 558,000 shares were sold for cash at 50 cents each making a total issued capitalization of 2,058,000 and leaving 942,000 shares in the treasury. Reeves Macdonald owns a property of 57 lead-zinc mineral claims north of the Canadian border near the Junction of the Salmon and Pend Oreille Rivers.

Stock Under Option

Recently negotiations were completed for the sale of 100,000 shares at $1 and an option on a further 220,000 shares at $1.82 for which option $25,000 will be paid in advance. 220,000 shares are to be taken up, 80,000 in 30 days, 70,000 in 60 days, and 70,000 in 90 days.

In addition 180,000 treasury shares are to be issued to Pend Oreille Mines & Metals in full settlement of debt of $231,547. This stock will be held in escrow.

In a balance sheet dated Feb. 28, 1937, the company shows current assets, of $769 comprising cash in the bank. Among liabilities are the Pend Oreille Mines & Metals loan account of $147,740 and interest accrued thereon to Feb. 28, 1937 of $83,806. This loan, as mentioned above is being settled by issuing 180,000 treasury shares. Accounts payable total $670.

Officers of the company are as follows: Lewis T. Larsen, president, Jen Jensen, vice-president, both of Spokane, Wash., Charles A. R. Lambly, Metaline Falls, Washington, James Anderson and Josephine Whitehouse, both of Vancouver, directors.

Normetal Listed

Normetal Mining Corp. whose shares were listed on April 16 was incorporated in 1931 with a Dominion charter. This company has an authorized capitalization of four million shares no par value. On Oct. 7, 1931 the company issued five class A preferred shares of $100 each and 2,500 class B preferred shares of $100 each for properties, all of which preferred shares have since been redeemed. At the same time 835,000 shares of no par value were issued.

In addition 2,025,650 shares were issued for cash totalling $879,114, making a total issued shares of 2,860,650. Under an agreement dated Feb. 3, 1937, 894,362 shares have been firmly underwritten at 75 cents per share by the Mining Corp. of Canada. The company's property in Desmeloizes Twp., Que. is being equipped with a mill with an initial capacity of 200 to 250 tons per day. The company reports that levels open to 800 ft. have developed sufficient ore to supply a 500-ton mill for over three years.

In the balance sheet as at Dec. 31, 1936 the company shows current assets of $20,733 of which $1,806 was in cash and $18,844 stores and prepaid expenses. J. H. C. Waite is president and Hon. Charles McCrea, vice-president.

Morris Kirkland

Morris Kirkland Gold Mines in the Kirkland Lake district, had an additional 500,000 shares listed bringing total listing to three million shares, in compliance with increase in authorized capitalization.

The listing statement showed that 1,050,000 shares were issued to Kirkland Gold Belt Mines for property and 3,750 shares issued in settlement of commission claim. In addition, 1,441,009 shares were issued for cash, for a total of $494,358. This makes a total of 2,494,759 shares issued, and leaves 505,241, shares in the treasury. A balance of 25,000 shares under option at 50 cents per share, was not taken up and the option was terminated on April 10.

From Dec. 1, 1936, to Feb. 28, 1937, the company reports gross production of $48,598. Development programme at present involves opening up the mine on the lower levels.

At Dec. 31, 1936, the company showed current assets of $33,968 against current liabilities of $70,240.

Chipmac Mines Moves Activities to New Site

From Our Own Correspondent

MONTREAL.—Chipmac Mines has decided to cease development work on its properties in the Chibougamau area and to concentrate efforts on the newly acquired property in Boischatel Twp. It was reported at the annual meeting that trenching and test pitting on the property was done and new channel samples from this property gave assayed values of over $300 a ton. This surface showing is considered encouraging and the company has decided on an extensive campaign of work this summer.

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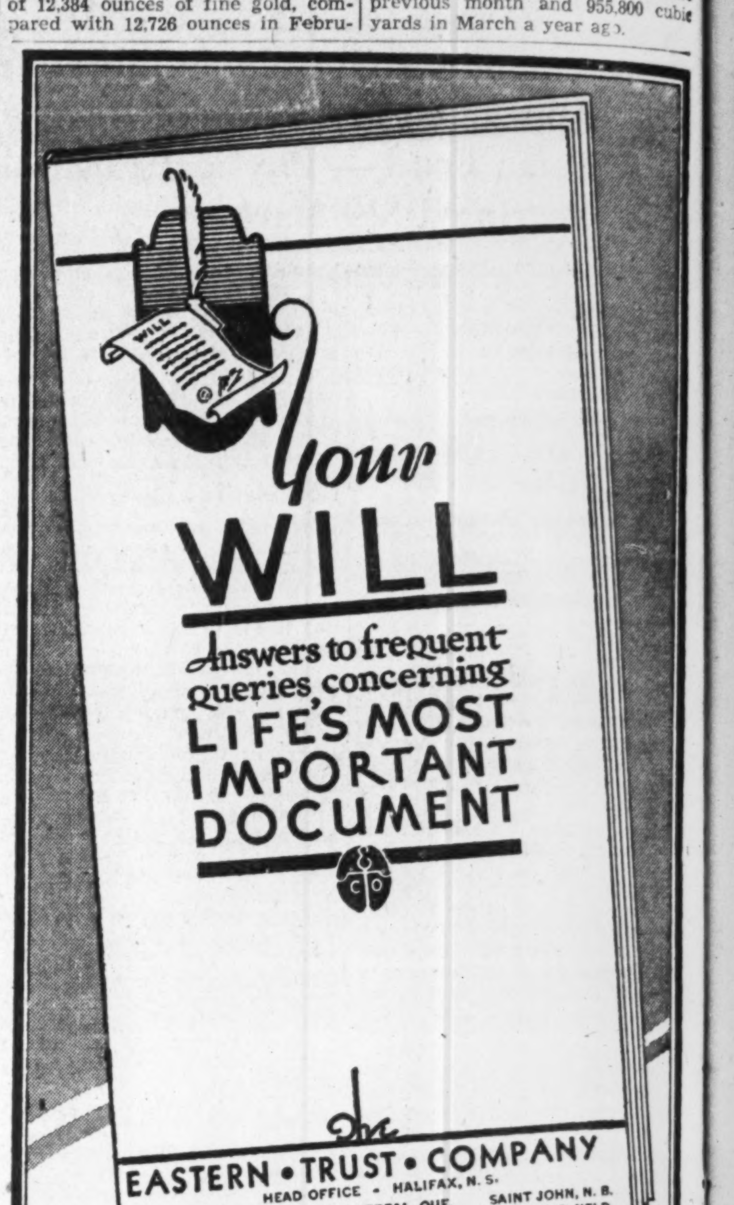
Bulolo Gold

From Our Own Correspondent

MONTREAL. — Bulolo Gold Dredging reports March production of 12,384 ounces of fine gold, compared with 12,726 ounces in February and 11,203 ounces in March, 1936. During the month 918,000 cubic yards of gravel were dredged, as against 885,000 cubic yards in the previous month and 955,800 cubic yards in March a year ago.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